By Mr. LANDIS:

H. R. 6490. A bill to authorize grants to the States to assist in the construction of nursing homes for aged persons; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of New York:

H. R. 6491. A bill to provide for the deduction from gross income for income-tax purposes of expenses incurred by farmers for the purpose of soil and water conservation; to the Committee on Ways and Means.

By Mr. WOLVERTON:

H. R. 6492. A bill to amend the Public Health Service Act to support research and training in diseases of the heart and circulation, and to aid the States in the development of community programs for the control of these diseases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MASON:

H. R. 6493. A bill to lower the tariff on imported peanuts; to the Committee on Ways and Means.

By Mr. ANDREWS of New York:

H. R. 6494. A bill to provide that personnel of the National Guard of the United States and the Organized Reserve Corps shall have a common Federal appointment or enlistment as reserves of the Army of the United States, to equalize disability benefits applicable to such personnel, and for other purposes; to the Committee on Armed Services.

By Mr. ELLSWORTH:

H. R. 6495. A bill to amend the Internal Revenue Code by providing an amortization deduction for plants for the hydrogenation of coal, the synthesis of liquid hydrocarbons from gases produced from coal, or the production of shale oil from oil shale; to the Committee on Ways and Means.

By Mr. KEATING:

H. R. 6496. A bill to incorporate the American Standards Association, and for other purposes; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. J. Res. 397. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WEICHEL:

H. J. Res. 398. Joint resolution to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HOPE:

H. Res. 588. Resolution authorizing the Committee on Agriculture of the House of Representatives to have printed for its use additional copies of the study prepared for said committee during the Eightieth Congress, Long-Range Agricultural Policy, a Study of Selected Trends and Factors Relating to the Long-Range Prospect for American Agriculture; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislative Assembly of the Virgin Islands, memorializing the President and the Congress of the United States declaring the existence of a state of emergency in the government of the Virgin Islands of the United States of America due to inability to finance its institutions in their basic functions; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JENNINGS:

H. R. 6482. A bill for the relief of sundry claimants, and for other purposes; to the Committee on the Judiciary.

By Mr. DOMENGEAUX:

H. R. 6497. A bill to direct the Secretary of the Interior to issue a patent for certain land to Dugas & LeBlanc, Ltd.; to the Committee on Public Lands.

By Mr. KERSTEN of Wisconsin:

H. R. 6498. A bill for the relief of certain witnesses at the trial of Harold Christoffel; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 6499. A bill for the relief of the Plymouth Manufacturing Co., Inc.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1877. By Mr. BUCK: Petition of Dr. and Mrs. Frank E. Becker, containing 2,999 signatures, including those of 698 residents of Staten Island, N. Y., urging the appropriation by the Congress of sufficient funds for the education and general rehabilitation of the Navajo Indians; to the Committee on Public Lands.

1878. By Mr. GRAHAM: Petition of missionary group I of the First Baptist Church of Ellwood City, Pa., urging the defeat of universal military training; to the Committee on Armed Services.

1879. By the SPEAKER: Petition of the United Polish Organizations, petitioning consideration of their resolution with reference to denouncing communism and further aggression of Soviet Russia; to the Committee on Foreign Affairs.

1880. Also, petition of Mrs. Carrie L. McManus, Sarasota, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1881. Also, petition of Mrs. W. A. Nau Mann, Orlando, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1882. Also, petition of Townsend Club No. 1, Jacksonville, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1883. Also, petition of Mrs. Margaret Scranton, St. Cloud, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1884. Also, petition of C. W. Inglett, Bradenton, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1885. Also, petition of B. M. Stone, Tampa, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1886. Also, petition of Martin Tall and others, petitioning consideration of their resolution with reference to the defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

1887. Also, petition of the executive secretary, American Association of Social Workers, petitioning consideration of his resolution with reference to ratification of the Constitution of the World Health Organization; to the Committee on the Judiciary.

1888. By Mr. PATMAN: Petition of Mrs. William A. Hardin and 26 other members of the Tapp Methodist Church, of New Boston, Tex., protesting against the inclusion of tobacco and American wine as a part of the aid to the peoples of Europe under the European recovery program; to the Committee on Foreign Affairs.

1889. By the SPEAKER: Petition of Mrs. Betty Wrin and others, petitioning consideration of their resolution with reference to the defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

SENATE

TUESDAY, MAY 11, 1948

(Legislative day of Monday, May 10, 1948)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God our Father, be real to each one of us today, that we may become aware how near Thou art and how practical Thy help may be. Deliver us from going through the motions as though waiting for a catastrophe.

Save us from the inertia of futility.

Revive our spirit of adventuresome faith.

Give us nerve again and zest for living, with courage for the difficulties of peace.

Through Jesus Christ our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., May 11, 1948.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. HARRY P. CAIN, a Senator from the State of Washington, to perform the duties of the Chair during my absence.

A. H. VANDENBERG,
President pro tempore.

Mr. CAIN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 10, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 10, 1948, the President had approved and signed the following acts:

S. 981. An act for the relief of Carl W. Sundstrom;

S. 1132. An act to amend section 40 of the Shipping Act, 1916 (39 Stat. 728), as amended; and

S. 1630. An act for the relief of Louis L. Williams, Jr.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House

had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6226) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and for other purposes, and that the House had receded from its disagreement to the amendment of the Senate numbered 10 to the bill and concurred therein with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 120. Concurrent resolution providing for the printing as a House document of the pamphlet entitled "Manual Explanatory of the Privileges, Rights, and Benefits Provided for Persons Who Served in the Armed Forces of the United States During World War I, World War II, or Peacetime (after April 20, 1898), and Those Dependent Upon Them, With Special Reference to Those Benefits, Rights, and Privileges Administered by the Veterans' Administration"; and

H. Con. Res. 189. Concurrent resolution authorizing the printing as a House document of the final report of the Select Committee on Foreign Aid, and authorizing the printing of 5,000 additional copies thereof.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3998) to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes, and it was signed by the Acting President pro tempore.

COUNTING OF ELECTORAL VOTES—EDITORIAL FROM THE HARTFORD COURANT

Mr. LODGE. Mr. President, on May 5 the Hartford Courant published an extremely interesting editorial entitled "No Electoral College?" which gives an enlightening analysis of Senate Joint Resolution 200, which has recently been reported favorably to the Senate from the Committee on the Judiciary by an overwhelming vote. An identical joint resolution was also reported unanimously by the House Judiciary Committee, and, in view of the committee backing the joint resolution has had, I hope it will be set down for early consideration in the Senate.

For the information of Senators, I ask unanimous consent that this editorial from the Hartford Courant be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"No Electoral College?"

The Senate Judiciary Committee has approved a constitutional amendment that would change the electoral-college system. The amendment was submitted by Senator HENRY CABOT LODGE, JR., Massachusetts Republican. It would abolish the present practice of giving the entire electoral vote of each State to the candidates for President and Vice President who win a majority of its popular vote. Instead it would split each State's electoral vote in proportion to the popular vote. An identical bill has been approved by the House Judiciary Committee and is now before the Rules Committee. Thus the long-agitated reform comes a step nearer. But the proposal must survive a floor debate in both Houses, if it gets that far, and by a two-thirds majority, at that. Thereafter it must also be approved by three-quarters of the States.

As most of us recall, the electoral college long since ceased to function as the authors of the Constitution intended. It is now a mere formality, though a cumbersome one. Electors are pledged in advance to one or another of the national tickets. Their job is not to decide on a President, but to report what the people of their States have decided. The reason was well put by an indignant Federalist voter in the election of John Adams in 1796. A supposedly Federalist elector from Pennsylvania, one Samuel Miles, had voted for the opposition candidate, Jefferson. The outraged voter protested: "Do I chuse Samuel Miles to determine for me whether John Adams or Thomas Jefferson shall be President? No, I chuse him to act, not to think."

Under the system by which electors act rather than think, the minority in each State, which in the northern ones might be almost as large as the majority, is disfranchised. This makes it possible to put into the White House a man who did not win a popular majority in the Nation. Exactly that happened in the Hayes-Tilden election of 1876. The fact that this is possible under this constitutional vermiform appendix is one reason behind the long-existing demand for a change.

Of the many formulas proposed, Senator LODGE's is the most likely to succeed. It is a relatively modest change. It keeps the electoral votes of the States, which strike a nice balance between outright popular majorities and the equal authority of the States. The electoral vote of any State equals the number of its Representatives in the House, plus its two Senators. To split the electoral vote, as the Lodge amendment proposes, might reduce the influence of the populous States while increasing that of the one-party States in the South. Again, it might on occasion encourage splinter-party candidacies, thereby weakening the two-party system and tending to throw elections into Congress. Yet it does take us closer to the fundamental of democracy than the anachronistic electoral college, without doing violence to the representative system that makes democracy stable. Therefore it may yet survive the process of constitutional amendment, which was wisely made long and hazardous.

LEAVES OF ABSENCE

Mr. BARKLEY. Mr. President, I am compelled to be absent on official business from the Senate and from the city for the remainder of the day. I ask consent that I may be so absent.

The ACTING PRESIDENT pro tempore. Without objection, the order is made.

Mr. THYE asked and obtained consent to be excused from attendance upon the sessions of the Senate during the remainder of this week and on Monday of next week.

TRANSACTION OF ROUTINE BUSINESS

Mr. WHERRY. Mr. President, I am sure the RECORD will disclose that by unanimous-consent agreement the junior Senator from Oregon [Mr. MORSE] was to retain the floor after the Senate convened today, but after routine business had been taken care of.

By unanimous consent, the following routine business was transacted:

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., favoring the enactment of legislation providing universal military training; to the Committee on Armed Services.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America favoring the enactment of legislation that will enable and encourage the Army, Navy, Air Corps, and Marine Corps to institute, secure, and maintain strong reserve forces in their respective branches; to the Committee on Armed Services.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind, favoring the enactment of legislation prohibiting the exportation of potential war materials to noncooperative nations; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., favoring an adequate merchant-marine fleet commensurate with the needs of the country; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., relating to communism; to the Committee on the Judiciary.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., protesting against any relaxation or weakening of immigration laws for a period of years; to the Committee on the Judiciary.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., favoring the enactment of legislation providing ample funds for the use of the House Committee to Investigate Un-American Activities; to the Committee on the Judiciary.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., relating to the Federal Bureau of Investigation and its efficacy in the detection and apprehension of criminals, and so forth; to the Committee on the Judiciary.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., urging the President to cleanse public offices of alien and subversive influences, and to require of all public servants unquestioned loyalty to the principles of our republican form of government; to the Committee on the Judiciary.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., relating to the term of office of the President and Vice President; to the Committee on the Judiciary.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., relating to the atomic bomb; to the Joint Committee on Atomic Energy.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., relating to foreign influences and ideologies and calling for a strict observance of the rights, privileges, and immunities guaranteed to the separate States and to the people by the Constitution; to the Committee on Foreign Relations.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., relating to world cooperation and world government; to the Committee on Foreign Relations.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., favoring the enactment of legislation providing assistance to the Republic of China to establish a free and stable government and to counteract the inroads of communism; to the Committee on Foreign Relations.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., relating to pan-American relations; to the Committee on Labor and Public Welfare.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., urging the Congress to reestablish the principles of the founding fathers in the freedom of the individual from Government controls, and that all education be under State and local controls, and so forth; to the Committee on Labor and Public Welfare.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., relating to the effectiveness of the press as a weapon to prevent war and maintain peace; to the Committee on Labor and Public Welfare.

A resolution adopted by the National Society, Dames of the Loyal Legion of the United States of America, Indianapolis, Ind., favoring the enactment of legislation providing an adequate air force; ordered to lie on the table.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. CORDON, from the Committee on Interior and Insular Affairs:

S. 582. A bill authorizing annual payments to States, Territories, and insular governments, for the benefit of their local political subdivisions, based on the fair value of the national-forest lands situated therein, and for other purposes; with amendments (Rept. No. 1267).

EXECUTIVE MESSAGE REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of George P. Shaw, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Nicaragua, which was referred to the Committee on Foreign Relations.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BREWSTER:

S. 2644. A bill to provide for the development of civil transport aircraft adaptable for auxiliary military service; and for other purposes; to the Committee on Interstate and Foreign Commerce.

(Mr. KEM introduced Senate bill 2645, to establish a United States Air Academy, which was referred to the Committee on Armed Services, and appears under a separate heading.)

By Mr. HATCH:

S. 2646. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Vermejo reclamation project, New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 2647. A bill to create the Board of Postal Rates and Fees in the Post Office Department; to the Committee on Post Office and Civil Service.

By Mr. WILEY (by request):

S. 2648. A bill for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer; to the Committee on the Judiciary.

(Mr. WHITE (by request) introduced Senate bill 2649, to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. IVES:

S. 2650. A bill for the relief of Mrs. Theodora H. Cowie; to the Committee on Finance.

S. 2651. A bill to provide additional compensation to widows and other dependents of certain veterans; to the Committee on Finance.

By Mr. MAGNUSON:

S. 2652. A bill for the relief of Andrew L. Johnson and Charles W. Gunstone; to the Committee on the Judiciary.

S. 2653. A bill for the purpose of erecting a Federal building at Monroe, Wash.; to the Committee on Public Works.

By Mr. MAGNUSON (for himself and Mr. KILGORE):

S. 2654. A bill to aid in the naturalization of persons with wartime service in the merchant marine, and for other purposes; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. J. Res. 214. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Industrial Exposition, Inc., Atlantic City, N. J., to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

UNITED STATES AIR ACADEMY

Mr. KEM. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill providing for the establishment of a United States Air Academy.

The present importance of the Air Force in our national defense justifies the establishment of an Air Academy. I am told that Secretary Symington has endorsed the idea. It seems clear that it should be established near the center of the United States where it will be comparatively free from enemy attack. Obviously it should not be adjacent to either a large center of population, an important military establishment, or strategic industrial development. The Sedalia location meets these requirements.

The Sedalia Airfield was a large air base during the war. The extensive runways and underground utilities built at great expense are intact. The Lake of the Ozarks is nearby.

Incidentally, the State of Missouri has not a single active air installation in it.

I am hopeful that it will be decided, on careful consideration, that the Air Academy at Sedalia will fit into the scheme of what is best for the security of the country.

There being no objection, the bill (S. 2645) to establish a United States Air Academy, introduced by Mr. KEM, was received, read twice by its title, and referred to the Committee on Armed Services.

AMENDMENT OF MERCHANT MARINE ACT OF 1936

Mr. WHITE. Mr. President, by request, I ask unanimous consent to introduce for appropriate reference a bill to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes, and I request that there may be included in my remarks now being made a section-by-section analysis and explanation of the bill.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the analysis submitted by the Senator from Maine will be printed in the RECORD.

There being no objection, the bill (S. 2649) to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes, introduced by Mr. WHITE (by request), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The analysis of the bill presented by Mr. WHITE was ordered to be printed in the RECORD, as follows:

ANALYSIS OF THE PROVISIONS OF THE BILL TO AMEND THE MERCHANT MARINE ACT, 1936, AS AMENDED, TO FURTHER PROMOTE THE DEVELOPMENT AND MAINTENANCE OF THE AMERICAN MERCHANT MARINE, AND FOR OTHER PURPOSES

SECTION 1

This section amends the first sentence of section 215 of the Merchant Marine Act, 1936, as amended, so as to provide for the exclusion from the price to be paid by the Commission for any vessel to be acquired under such section of the cost of "(i) any features incorporated in the vessel for national defense uses, including, but not limited to, excess speed and any other features which were deemed necessary or proper by the Navy Department, and (ii) any features incorporated in the vessel in compliance with the laws or regulations of the United States and which were not required by foreign nations to be incorporated in vessels of a similar type, and (iii) any quarters for crew members in excess of quarters required in a foreign vessel of similar type for similar service," which were paid for by the Commission.

Section 215 presently provides for exclusion of "the cost of national defense features paid by the Commission."

The amendment is necessitated by amendments to section 502 (b), 504, and 509 of the act by sections 4, 8, and 9 of this resolution providing for payment by the Commission of the cost of such features and quarters when incorporated in vessels constructed under the provisions of such sections.

SECTION 2

This section amends section 301 of the act by repealing subsection (a) authorizing the Commission to establish minimum manning scales, minimum wage scales, and minimum working conditions for officers and crews employed on vessels receiving an operating-differential subsidy, and by striking out "(b)" appearing before the subsection.

SECTION 3

This section amends section 501 (c) of the act by adding a provision that the owner of

any reconstructed or reconditioned vessel may have the life expectancy of such vessel recomputed by the United States Coast Guard as of the date of completion of such reconstruction or reconditioning, and use such life expectancy in determining an allowance for depreciation for the purpose of Federal taxes.

Section 501 (c) presently provides for the granting of financial aid in connection with the reconstruction or reconditioning of vessels but does not contain a provision similar to that contained in section 3 of the resolution.

SECTION 4

This section amends section 502 (b) of the act so as to provide (1) that the cost of the features and quarters referred to in section 1 of this resolution shall be excluded from the construction cost of a vessel with respect to which a construction-differential subsidy is paid under such section, and (2) that for any vessel contracted for during the period between July 1, 1948, and July 1, 1951, the construction-differential to be granted by the Commission shall be 50 percent of the construction cost of the vessel paid for by the Commission, excluding the cost of the items referred to above.

Section 502 (b) presently provides exclusion of "the cost of national defense features" from the "construction cost of the vessel paid for by the Commission."

Section 502 (b) also presently provides that the construction-differential subsidy paid by the Commission may equal, but not exceed, the excess of the bid of the shipbuilder constructing the proposed vessel, over the fair and reasonable estimate of cost, as determined by the Commission, of the construction of the proposed vessel in a foreign shipbuilding center deemed by the Commission to be representative for cost purposes. The section further provides that the construction differential approved by the Commission may not exceed 33⅓ percent of the construction cost of the vessel paid for by the Commission, except that a construction differential of 50 percent may be granted under certain circumstances by an affirmative vote of four members of the Commission.

SECTION 5

This section amends section 502 (c) so as to provide (1) that interest at the rate of 2¼ percent per annum shall be paid on those portions of the Commission's payments made to the shipbuilder which are chargeable to the purchase price of a vessel under a purchase contract executed on or after July 1, 1948, and (2) that interest at such a rate shall be paid on unpaid installments on the purchase price under a contract executed on or after such date.

Section 502 (c) presently provides for the payment of interest at the rate of 3½ percent per annum on such payments and installments.

SECTION 6

This section amends section 502 (g) of the act so as to provide for exclusion of the cost of the features and quarters referred to in section 1 of this resolution from the price of any vessel sold by the Commission under such section if such features or quarters were added by the Commission subsequent to its acquisition of the vessel under section 215 of the act.

Section 502 (g) presently provides for exclusion of "the cost of national defense features added by the Commission."

SECTION 7

This section amends section 503 of the act by adding a proviso to the third sentence providing that notwfthstanding any other provisions of law, the payment of sums due under a purchase contract for a passenger vessel with respect to which a construction-differential subsidy has been paid shall be secured only by a first preferred mortgage on the vessel, and the obligation of the purchaser shall be discharged by surrender of the vessel, and all right, title, and interest thereon, to the Commission. The proviso further provides that the sole recourse against the purchaser shall be limited to repossession of the vessel by the seller.

Section 503 presently provides that the purchaser of any vessel with respect to which a construction-differential subsidy has been allowed shall execute and deliver a first preferred mortgage to the United States to secure the payment of any sums due with respect to such vessel.

SECTION 8

This section amends section 504 of the act so as to provide (1) that the cost of the features and quarters referred to in section 1 of this resolution shall be paid for by the Commission where an applicant finances the construction of a vessel with respect to which a construction-differential subsidy is allowed rather than purchasing it from the Commission, and (2) that payments for such features and quarters shall be based on mutual agreement between the parties, or, failing of agreement, on the lowest responsible domestic bid.

Section 504 presently provides that the Commission shall pay for "the cost of national defense features, and that payments for such features shall be based on the lowest responsible domestic bid.

SECTION 9

This section amends section 509 of the act so as to provide that the purchaser of a vessel from the Commission under such section, with respect to which a construction-differential subsidy is not allowed, shall (1) have the cost of the features and quarters referred to in section 1 of this resolution paid for by the Commission, (2) pay interest on installments on the purchase price at the rate of 2¼ percent per annum under a contract executed on or after July 1, 1948, and (3) have its obligation for the balance of the purchase price of a passenger vessel limited in the same manner as the purchaser of a passenger vessel under section 503 of the act, as amended by section 7 of this resolution.

Section 509 presently provides that the Commission shall pay for the cost of national defense features, and that the purchaser of such a vessel shall (1) pay interest on installments on the balance of the purchase price at the rate of 3½ percent per annum, and (2) secure such balance by a preferred mortgage on the vessel and otherwise as the Commission may determine.

SECTION 10

This section amends section 510 (a) of the act so as to provide that the term "obsolete vessel" as defined therein shall include a vessel which is not less than 12 years old.

Section 510 (a) presently provides that a vessel must be not less than 17 years old in order to be included in the definition of an "obsolete vessel."

SECTION 11

This section amends section 510 (d) so as to provide that the allowance for an obsolete vessel acquired by the Commission under the provisions of section 510 shall be the market value thereof for operation in the world trade or in the foreign or domestic trade of the United States.

Section 510 (d) presently provides that the allowance for an obsolete vessel shall be its fair and reasonable value as determined by the Commission, and that in making such determination the Commission shall consider, in addition to the market value of the vessel for operation in the world trade or in the foreign or domestic trade of the United States, the scrap value of the vessel, both in American and in foreign markets, and the depreciated value based on a 20-year life.

SECTION 12

This section amends section 601 of the act by adding a subsection (c) authorizing and directing the Commission (1) to consider, and to approve if satisfactory, the application of any citizen of the United States for fiancial aid in the operation of one or more passenger vessels over an essential trade route in the foreign commerce of the United States, and (2) to enter into separate operating-differential subsidy contracts for the operation of such vessel or vessels without regard to whether the applicant already holds an operating-differential subsidy contract or contracts covering similar or other services over the same or other routes.

Section 601 (a) authorizes and directs the Commission to consider the application of any citizen of the United States for financial aid in the operation of a vessel or vessels which are to be used in an essential service in the foreign commerce of the United States.

SECTION 13

This section amends section 603 (b) of the act so as to provide that increases in costs in subsidizable items of expenses which are necessitated by incorporation of the features and quarters referred to in section 1 of this resolution shall be deducted from the estimated fair and reasonable costs of competitive foreign vessels before the operating-differential subsidy is determined.

Section 603 (b) presently provides for the deduction of increases in costs necessitated by the incorporation of "national defense features" in the vessels.

SECTION 14

This section amends section 603 (c) of the act by striking out the requirement that no operating-differential subsidy shall be paid until the contractor furnishes evidence satisfactory to the Commission that the minimum wages prescribed by section 301 (a) of the act, which is repealed by section 2 of this resolution, have been paid.

The section also authorizes the Commission to modify existing operating-differential subsidy contracts to conform to the amendment.

SECTION 15

This section amends section 605 (b) of the act so as to provide that the provisions of the subsection shall not preclude the payment of an operating-differential subsidy with respect to a vessel whose life expectancy has been extended as provided in section 501 (c) of the act.

Section 605 (b) presently provides that no operating-differential subsidy shall be paid for the operation of a vessel that is more than 20 years of age unless the Commission finds that it is in the public interest to grant such financial aid and enters a formal order thereon, and includes a report of each such action in its annual report.

SECTION 16

This section amends section 607 (b) of the act so as to provide that for the purpose of deposits in the capital reserve fund, depreciation charges on subsidized vessels whose life expectance has been extended as provided in section 501 (c) of the act shall be computed on the life as so extended.

Section 607 (b) presently provides for the computation of such charges on a 20-year life expectance of the subsidized vessels.

SECTION 17

This section amends section 611 (a) of the act so as to provide that if the United States (1) prevents the operation of the subsidized vessels on the routes set forth in the operating-differential subsidy contract, or (2) defaults upon such contract by failing to make subsidy payments within a reasonable time, or by any other act or omission, or (3) cancels such contract without just cause, the contractor may, in addition to any other

rights which it has (a) transfer the vessels to the Commission and receive therefor an amount equal to their cost to the contractor, less depreciation, plus depreciated costs of capital improvements thereon, or (b) transfer such vessels to foreign registry upon compliance with the provisions of the section, or (c) enter into a mutually satisfactory agreement for interim employment or lay-up of such vessels. The section authorizes the Commission to enter into an agreement for the interim employment or lay-up of the vessels, and to make such financial arrangements for payments to the contractor as the Commission finds fair and reasonable.

Section 611 (a) presently provides that in the event that the United States defaults upon or cancels such a contract without just cause, the contractor may transfer the vessels to foreign registry upon compliance with the provisions of section 611.

SECTION 18

This section amends section 611 (b) of the act by (1) designating the subsection as "(c)," and (2) inserting a subsection designated "(b)" reading the same as the last sentence of the present subsection (a) of section 611.

SECTION 19

This section amends section 611 (c) of the act by designating the subsection as "(d)" instead of "(c)."

SECTION 20

This section amends section 905 of the act, which defines terms used in the act, by defining the term "passenger vessel" when used in sections 503, 509, and 601 (c), as amended by this resolution, as "any vessel of not less than thirty-five hundred gross tons documented under the laws of the United States having accommodations for 100 or more passengers."

SECTION 21

This section amends paragraph (1) of section 4 of the Interstate Commerce Act, as amended, by adding a proviso prohibiting the Commission from approving tariffs or allowing the quotation or assessment of rates and charges by any carrier by railroad or motor carrier subject to the provisions of such act which are discriminatory as to traffic susceptible of competitive water transportation which are not in and of themselves compensatory to the land transportation system as compared with other land rates after bearing a full share of all the appropriate overhead and other costs of the land transportation system.

Paragraph (1) of section 4 of the act presently makes it unlawful for any common carrier subject to part 1 (rail) or part III (water) of such act to charge or receive any greater compensation in the aggregate for the transportation of passengers or property for a shorter than for a longer distance over the same line or route in the same direction, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates, but authorizes the Commission to relieve the common carrier from the provisions of the section under certain circumstances.

HEARINGS BEFORE COMMITTEE ON RULES AND ADMINISTRATION—INCREASE IN LIMIT OF EXPENDITURES

Mr. JENNER submitted the following resolution (S. Res. 233), which was referred to the Committee on Rules and Administration:

Resolved, That the limit of expenditures authorized under Senate Resolution 54, Eightieth Congress, agreed to January 17, 1947 (authorizing the expenditure of funds and the employment of assistants by the Committee on Rules and Administration, or any duly authorized subcommittee thereof, in carrying out the duties imposed upon it by subsection (o) (1) (D) of rule XXV of the Standing Rules of the Senate, as increased by Senate Resolution 114, Eightieth Congress, agreed to May 21, 1947, and Senate Resolution 142, Eightieth Congress, agreed to July 23, 1947, is hereby further increased by $100,000.

CONVEYANCE OF CERTAIN PUBLIC LANDS TO PINELLAS COUNTY, FLA.—AMENDMENTS

Mr. HOLLAND (for himself and Mr. PEPPER) submitted amendments intended to be proposed by them, jointly, to the bill (S. 2496) to provide for the conveyance to Pinellas County, State of Florida, of certain public lands herein described, which were referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

RIGHTS, ETC., OF VETERANS UNDER VETERANS' ADMINISTRATION—PRINTING OF HOUSE DOCUMENT

The ACTING PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 120, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That, within 90 days after adjournment of the second session of the Eightieth Congress, the pamphlet entitled "Manual Explanatory of the Privileges, Rights, and Benefits Provided for Persons Who Served in the Armed Forces of the United States During World War I, World War II, or Peacetime (After April 20, 1898), and Those Dependent Upon Them, With Special Reference to Those Benefits, Rights, and Privileges Administered by the Veterans' Administration" (H. Doc. 772, 79th Cong., 2d sess.) be revised and printed as a House document, and that 91,300 additional copies shall be printed, of which 66,300 copies shall be for the use of the House of Representatives, 20,000 for the use of the Senate, 2,000 for the use of the Committee on Veterans' Affairs of the House of Representatives, 2,000 for the House document room, and 1,000 for the Senate document room.

Mr. JENNER. Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

PRINTING OF FINAL REPORT OF SELECT COMMITTEE ON FOREIGN AID

The ACTING PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 189, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 6,500 copies of the Final Report of the Select Committee on Foreign Aid (H. Rept. No. 1845), of which 3,000 copies shall be for the use of the House of Representatives, 2,000 copies shall be for the use of the Select Committee on Foreign Aid, 500 copies for the use of the Senate document room, and 1,000 copies for the use of the House document room.

Mr. JENNER. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

MEETING OF COMMITTEES DURING SENATE SESSION

Mr. BREWSTER asked and obtained permission for a subcommittee of the Committee on Interstate and Foreign Commerce to hold hearings this afternoon on pending aviation legislation.

Mr. WHERRY. Mr. President, I ask unanimous consent that the Export Subcommittee of the Small Business Committee, the chairman of which is the Senator from Pennsylvania [Mr. MARTIN] be permitted to hold hearings this afternoon during the session of the Senate, beginning at 2 o'clock. The subcommittee is investigating the export license procedure of the Department of Commerce.

The ACTING PRESIDENT pro tempore. Without objection, the request is granted.

Mr. REED. Mr. President, I desire to obtain the consent of the Senate for a subcommittee of the Interstate and Foreign Commerce Committee to conduct a hearing this afternoon for railway employees interested in Senate bill 1635.

The ACTING PRESIDENT pro tempore. Without objection, consent is granted.

Mr. AIKEN asked and obtained permission for the Committee on Agriculture and Forestry to sit for a short time beginning at 2:30 o'clock today.

Mr. KNOWLAND asked and obtained permission for the Subcommittee on Labor and Public Welfare of the Appropriations Committee to meet this afternoon.

OBERLIN COLLEGE MOCK CONVENTION—KEYNOTE ADDRESS BY SENATOR SMITH

[Mr. IVES asked and obtained leave to have printed in the RECORD a keynote address delivered by Senator SMITH before the Oberlin College mock convention on May 7, 1948, which appears in the Appendix.]

RACIAL DISCRIMINATION—ADDRESS BY SENATOR CHAVEZ

[Mr. IVES asked and obtained leave to have printed in the RECORD an address on racial discrimination delivered by Senator CHAVEZ before the Long Beach Forum, Long Beach, N. Y., May 9, 1948, which appears in the Appendix.]

THE TAFT-HARTLEY LAW—ADDRESS BY SENATOR MARTIN AND EDITORIAL COMMENTS

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an address on the Taft-Hartley law delivered by Senator MARTIN before the annual convention of the Pennsylvania Federation of Labor, in Pittsburgh, May 3, 1948, together with editorial comments on the address, which appear in the Appendix.]

ADDRESS BY SENATOR IVES BEFORE THE 1948 OBERLIN MOCK CONVENTION

[Mr. SMITH asked and obtained leave to have printed in the RECORD an address delivered by Senator IVES before the 1948 Oberlin mock convention at Oberlin College, Oberlin, Ohio, May 8, 1948, which appears in the Appendix.]

THE HOUSING BILL—ADDRESS BY SENATOR WATKINS

[Mr. WATKINS asked and obtained leave to have printed in the RECORD a radio address relative to the Taft-Ellender-Wagner

bill, delivered by him on May 4, 1948, which appears in the Appendix.]

CONDITIONS IN PALESTINE

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article by Sumner Welles relating to Palestine, and an open letter on the same subject addressed to the President signed by sundry individuals, both from the Washington Post of May 11, 1948, which appears in the Appendix.]

OUR GREAT AMERICAN HERITAGE: LIBERTY—ESSAY BY CHARLES D. MATTHEWS IV

[Mr. KEM asked and obtained leave to have printed in the RECORD an essay on the subject Our Great American Heritage: Liberty, written by Charles Davis Matthews IV, and awarded first prize by the American Legion Auxiliary of Missouri for the best essay on Americanism, which appears in the Appendix.]

CALIFORNIA'S VETERAN LAWS

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD a résumé of veterans' legislation enacted by the State of California, which appears in the Appendix.]

SOUTHERN STATES COMPACT ON REGIONAL EDUCATION

Mr. WHERRY. Mr. President, apparently the routine business has been completed. May I now ask the present occupant of the chair to lay before the Senate the unfinished business and also the unanimous-consent agreement that was ordered at the conclusion of the session of the Senate yesterday?

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, and under the unanimous-consent order of the Senate yesterday the Senator from Oregon [Mr. MORSE] is entitled to the floor.

The Senate resumed the consideration of the joint resolution (H. J. Res. 334) giving the consent of Congress to the compact on regional education entered into between the Southern States at Tallahassee, Fla., on February 8, 1948.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY] as a substitute for the amendment of the Senator from New York [Mr. IVES].

Mr. MORSE. Mr. President, before I proceed with my speech proper I think I should offer my apology to the acting majority leader for not being here at the hour of 12, but I have just come from a meeting of the Armed Services Committee, at which it was hoped that a vote might be taken on the armed services bill pending before the committee. There was some delay, and it was impossible to complete discussion of the bill, and thus my failure to reach the floor of the Senate promptly at 12.

Mr. WHERRY. The Senate has just concluded routine business anyway; the Senator was on time, and there was no delay.

Mr. MORSE. I want no misunderstanding of any failure of my vote to be registered with the Armed Services Committee in case the vote occurs in committee while I am speaking here in the Senate. I want the RECORD to show that I have made the request that I be allowed to make my final decision on that armed services bill later this afternoon after the final amendments have been offered in committee. If a vote should come in the Armed Services Committee while I am speaking, I do not want the fact that I am not recorded to be interpreted that I am either for or against the bill. I will vote on that bill, however, before the afternoon is over. It is my present intention to vote to report the bill to the Senate with the distinct understanding that I am in favor of some modifications in the bill. However, I think we must report the bill to the floor and rewrite parts of it on the floor of the Senate. In its present form it has so many compromises in it that it has become a hybrid and a hodgepodge.

Mr. President, I return to a discussion of the issues involved in the proposed compact. I prefer to proceed without interruption until I close my main argument on the legal points involved and then I shall be perfectly willing to subject myself to cross-examination on any point I raise. I shall endeavor to make any reasonable exception to that request if any Senator really feels that he should interrupt me with a question. I want to be perfectly fair and accommodating about it but I believe that my point of view on the law will be better understood by the Senate if you first hear me through on this legal argument.

Mr. President, this speech in the first instance is directed to the proposition whether or not Congress has the power in giving its consent to this interstate compact for regional education to impose a condition that there shall be no racial segregation in the facilities established pursuant to the compact. It is clear that there are areas of interstate compact agreement where the States must have, express or implied, prior or subsequent, the consent of Congress in order to make the compacts binding and operative.

It was pointed out by the Senator from Kentucky [Mr. COOPER] yesterday that, as I recall, more than 100 compacts have been approved by the Congress of the United States, and those compacts have, we shall assume at least until the contrary is shown, fallen under the rule which I have just mentioned. As the Senator from Kentucky made clear, most of those compacts either pertained to rivers, or to boundaries, or to subject matters which clearly fall within the rules of the famous Tennessee case in 148 United States which I shall discuss momentarily. However in my examination of such of those compacts as I have been able thus far in my research on this issue to examine, I have not found a single precedent within them which meets on all fours the precedent which would be established by the pending compact if the Congress approves it. In other words, I agree with the Senator from Kentucky, if I understand his argument correctly, that the fact that Congress has approved some 100 compacts throughout our history does not establish at all that there is any precedent for the pending compact.

I respectfully ask the proponents of this compact to present during the course of the debate some compacts which on the facts involved can be squared with the theory which they advance in support of this compact on regional education. I think it is a fair request, and I think it is a request which must be met in order to comply with certain language in the Tennessee case which I shall set forth later in my argument.

Thus I say, Mr. President, there are likewise areas of interstate compact agreement where the States do not need the consent of Congress in order to make the compacts to be operative and binding. We are not here concerned with the question whether this compact falls within the first or second category. For the purposes of this part of my speech, let us assume this proposed compact is one requiring Congressional assent.

Let me make clear that later on in the speech I shall come back to the point I made last Thursday, which I made again in my speech yesterday afternoon, and which the Senator from Kentucky so brilliantly set forth in his speech, namely, that congressional approval of this compact is not necessary for the Southern States to accomplish the end they have in mind so far as joint support of regional schools is concerned. I shall point out that the counsel for the governors who entered into this compact so advised them before the compact was ever entered into. In other words, the counsel for the governors themselves agreed with the point the Senator from Kentucky made in his able speech yesterday afternoon, and agreed with the proposition I laid down in the first speech I made on this compact last Thursday, that congressional approval of this compact is not necessary.

If that be true, Mr. President, and I may say that I am completely satisfied that as a legal proposition it is true, then I do not think this compact should be pressed upon the Senate of the United States for approval at this time. I submit, therefore, that the proper disposal of this subject matter is by way of a motion to recommit the pending joint resolution to the Committee on the Judiciary for further consideration of the proposition whether or not it is necessary as a matter of law for the Congress of the United States to approve this compact.

I am satisfied—and I dwell a moment longer on this point, Mr. President, that a thorough analysis of that legal proposition will lead the Members of the Senate of the United States to the conclusion that the approval of the Congress of the United States to this compact is not necessary in order to put its objectives into operation; and if such approval is not necessary, then I think it is a mistake to seek to push this compact through the Senate. Therefore, I believe that the appropriate motion is one to recommit. Subject to change of opinion later on as the debate progresses, I announce now that it is my present tentative purpose and intention to make such a motion at the appropriate and proper time.

Mr. WHERRY. Mr. President——

The PRESIDING OFFICER (Mr. THYE in the chair). Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. MORSE. I yield.

Mr. WHERRY. Let me ask a question so as to clarify a point in my mind.

Do I understand it to be the position of the junior Senator from Oregon that, regardless of the court decisions on the issues involved here as they apply to individual States, they do not apply to a region embracing a number of States?

Mr. MORSE. Let me clarify my position.

Mr. WHERRY. I did not hear the entire argument of the Senator yesterday, and I want to have that point clear in my mind, because there are State decisions on the question of segregation.

Mr. MORSE. I shall summarize my position on that point in this way: It was my position last Thursday, reaffirmed by me again yesterday, and brilliantly set forth yesterday by the Senator from Kentucky [Mr. COOPER] in his able speech, that the compact we are dealing with does not require congressional approval.

Second, I take the position that if we assume that congressional approval is necessary—and I say that is an erroneous assumption, but for the sake of argument let us assume that it is a sound assumption—then we are faced with the proposition of establishing a Federal policy on a regional level, not on a State level, and we are then beyond the decisions of the Supreme Court in respect to States and State prerogatives over education within the boundaries of States. We are dealing then with education on a regional level, which raises a Federal issue if the assumption of the provisions of this compact is a correct one.

Mr. WHERRY. On which there are no precedents.

Mr. MORSE. I know of no precedent on the nose, as we say in the law. I know of no precedent on all-fours with the precedent which the proponents of this compact would seek to establish by this compact. I say that when we start dealing with educational problems on a regional level we are above the State level, and that calls then for the establishment by the Congress of a Federal policy and the making of a Federal precedent. I do not think the Congress of the United States should lay down a Federal issue involved if we assume that segregation in higher education in this country on a regional level. That is the Federal issue involved if we assume that this compact requires congressional approval. That is why I keep saying in this debate that we must face the question of Federal policy as to civil rights if we are called upon as a Congress to approve this compact.

Mr. WHERRY. It involves all 48 States.

Mr. MORSE. That is correct. If we can do it for 15 States, we can do it for 25. If we add 10 more we have 35. If we add 10 more we have 45. Eventually through compacts we would gradually have Federal domination of education.

I wish I could agree to the argument that in the discussion of this compact we are not in fact dealing with a major civil rights issue. But I want to say to my good friend from Nebraska that I cannot see it that way. I do not think we can deal with the regional problem without running into the whole question of civil rights as those rights relate to a Federal policy under the Constitution in connection with regional education once we are asked for congressional approval of a compact.

Let me read from *Virginia* v. *Tennessee*, in 148 United States 503, at page 518. The Court said in that case:

> There are many matters upon which different States may agree that can in no respect concern the United States. If, for instance, Virginia should come into possession and ownership of a small parcel of land in New York which the latter State might desire to acquire as a site for a public building, it would hardly be deemed essential for the latter State to obtain the consent of Congress before it could make a valid agreement with Virginia for the purchase of the land. If Massachusetts, in forwarding its exhibits to the World's Fair at Chicago, should desire to transport them a part of the distance over the Erie Canal, it would hardly be deemed essential for that State to obtain the consent of Congress before it could contract with New York for the transportation of the exhibits through that State in that way. If the borderline of the two States should cross some malarious and disease-producing district, there could be no possible reason, on any conceivable public grounds, to obtain the consent of Congress for the bordering States to agree to unite in draining the district, and thus removing the cause of disease. So in case of threatened invasion of cholera, plague, or other causes of sickness and death, it would be the height of absurdity to hold that the threatened States could not unite in providing means to prevent and repel the invasion of the pestilence, without obtaining the consent of Congress, which might not be at the time in session. If, then, the terms "compact" or "agreement" in the Constitution do not apply to every possible compact or agreement between one State and another, for the validity of which the consent of Congress must be obtained, to what compacts or agreements does the Constitution apply?

I think this should be the guiding principle which ought to govern us in our thinking on this particular case. Let me repeat the rhetorical question which the Court put to itself:

> If, then, the terms "compact" or "agreement" in the Constitution do not apply to every possible compact or agreement between one State and another, for the validity of which the consent of Congress must be obtained, to what compacts or agreements does the Constitution apply? We can only reply by looking at the object of the constitutional provision, and construing the terms "agreement" and "compact" by reference to it. It is a familiar rule in the construction of terms to apply to them the meaning naturally attaching to them from their context.

The Court continues in the next paragraph:

> Looking at the clause in which the terms "compact" or "agreement" appear, it is evident that the prohibition is directed to the formation of any combination tending to the increase of political power in the States, which may encroach upon or interfere with the just supremacy of the United States.

Taking those principles and applying them to the facts of this compact, I see nothing in the facts which led to the formulation of the compact which requires congressional sanction. If Tennessee, Georgia, Louisiana, and the other southern States involved in the compact proceed to use their funds to support schools wherever they want to support them, that is their business, not ours. That is up to them, not to us as a Congress. If Louisiana, Tennessee, Georgia, Florida, and the other States want to support Meharry College, that is their business, not ours.

As I stated yesterday, the Meharry issue is irrelevant and immaterial to this whole debate. I shall not permit myself to be put in the position in this debate of seeming to be against support for Meharry. I think Meharry is a valuable institution. I think it should be supported. My own personal opinion is that it should be supported by the great State of Tennessee, because it is a great credit to that State. It is one of the fine institutions of the great State of Tennessee, and that State should support it. But I do not believe that the proponents of this compact have any right to come before us and say that we ought to support this compact because unless we support it the chances of Meharry receiving any financial support from the Southern States or from some educational foundation is remote. That is their theory, as I understand. In my opinion, Meharry has nothing to do with the issue before the Senate in connection with this compact. We must determine the question of whether or not the Constitution requires congressional approval of this type of compact. I think that it does not.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. WHERRY. I thank the distinguished Senator for restating his position. I was unable to hear all of his argument yesterday. As I understand, the junior Senator from Oregon and the junior Senator from Kentucky are in absolute agreement relative to one issue, and that is that it is unnecessary to have Federal sanction in order to fulfill the purposes for which Meharry will be reestablished. That is, it is unnecessary to obtain Federal sanction to do the very thing which is intended to be done by this compact.

Mr. MORSE. That is my theory. That is the basic theory of the great speech which the Senator from Kentucky made yesterday, with which I am in complete agreement.

Mr. WHERRY. Then we find ourselves in this position: If Federal sanction is asked for this compact on a regional basis, then, of course, all 48 States are involved.

Mr. MORSE. That is correct, in that we would be laying down a Federal policy permitting of segregation in regional schools.

Mr. WHERRY. So we are then confronted not merely with a compact for this particular region in the South, but in sanctioning that compact we are in reality sanctioning whatever is involved in every State of the Union.

Mr. MORSE. The Senator has stated my position correctly. Let me add for purposes of emphasis that, if we assume the premise from which the proponents of the compact are arguing, that congressional sanction is necessary to put this compact into effect, then, in my opinion, they cannot escape a full discussion of what the Federal policy ought to be in connection with any question of

civil rights on a regional basis raised by the compact.

To put it another way, they cannot then escape the fact that we are confronted with the question as to whether or not we, the Congress of the United States, in 1948 should sanction segregation in institutions of higher learning operating as regional schools with the blessings of Congress granted through approval of this compact.

Mr. WHERRY. The basis for the statement made by the distinguished Senator that he might make a motion to send the compact back to the committee is the fact, first, that it is unnecessary to have this compact at all.

Mr. MORSE. In view of the argument which has already developed on the floor of the Senate on this legal point I believe that the Judiciary Committee ought to take it back, study it further, and then decide whether or not it wishes to report the compact to the Senate again.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HATCH. I thank the Senator for yielding.

Mr. President, I am interested in the Senator's discussion of one phase of the compact. As I have understood what the Senator from Oregon has said, it is that if the Congress gives consent to this compact, it thereby will involve a regional arrangement, and that anything included within the compact and receiving consent will automatically be approved as a national policy, thus resulting in having the regional arrangement become a national policy.

Frankly, I have not given consideration to the legal questions which are raised, but I am wondering whether that is the logical conclusion, or whether as a matter of fact whenever two or more States enter into a compact, which of course is a regional arrangement, a national policy is not involved. I wish to ask the Senator from Oregon if it is not true that in our western States we have had many compacts relating to the division of the waters of streams and rivers. In those States we have established a doctrine of the use of waters, which commonly is referred to as prior appropriation and application to beneficial use. That is not a national policy. There are other provisions of law which involve the use of waters. The water laws of the western States do not prevail generally throughout the United States.

So could it be said that because the Congress of the United States consents to those compacts and those regional arrangements which are made for the use of water, the Congress thereby has established a national policy in that respect? That thought came to my mind during the Senator's argument.

I wish to add that I am interested because the question is an important one, namely, that if the Congress by consenting to a compact among the States thereby ratifies the agreement, whatever it may be, it becomes a national policy.

Mr. MORSE. I am very glad to have the Senator's contribution. However, I think that there is a clear distinction between the type of case the Senator has cited and the type of compact which raises a civil rights issue, because in a compact which affects the rivers of the West, for example, we are dealing only with a question of local property law. In this case the compact in my opinion raises a question of civil rights under the Constitution itself; and when we approve this compact on a regional level, then I think we shall have sanctioned what I, at least, consider to be an invasion of a citizen's civil rights under the Constitution. I think the Senator will agree with me, or at least I shall ask him to hear me through on that point as I go into it, that the stamp of approval or the sanction by the Federal Government of such a diminution of civil rights will, as I think, have a great effect on future civil-rights litigation, and I do not wish to see a precedent of that kind established by this compact.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. HATCH. Then I judge that on that point the Senator thinks—perhaps I misunderstood him before—that in effect and in reality it is not the establishment of a national policy, but it amounts to giving sanction or approval to a policy which may have been established in the region.

Mr. MORSE. I think that is true; but I believe it does establish a precedent for a national policy in the field of civil rights, which is quite a different thing from approving a compact entered into by way of agreement between States as to how they will distribute their water and use the water from rivers which run through two or more States. There is no invasion of anyone's Federal rights under such a compact. However, in this instance, I think that the approval of this compact would affect the Federal rights of all citizens to be protected from the establishment of segregation as a Federal policy even on a regional level.

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. MORSE. I yield.

Mr. HOLLAND. With reference to the point which has just been raised by the Senator from Oregon, I wish to state that the very question he is discussing was raised and discussed and briefed in the committee before the report of the committee was made. As stated yesterday by the distinguished chairman of the committee, the Senator from Wisconsin [Mr. WILEY], the subcommittee which heard the matter consisted of the Senator from Wisconsin, the chairman of the Committee on the Judiciary, who, himself, ought to be reasonably well informed and reasonably able to form a sound conclusion in this or any other legal field, and the Senator from Rhode Island [Mr. MCGRATH], who formerly served, as the Senator from Oregon knows, as Solicitor General of the United States. I point out to the Senator from Oregon that in the opinion of that subcommittee, and based on a research which I suspect has not been possible, under the limitations of time, either to the Senator from Oregon or to the Senator from Kentucky, exactly the opposite conclusions from those now stated by the Senator from Oregon were reached by the Senator from Wisconsin and the Senator from Rhode Island, and were later announced by action of the full Committee on the Judiciary.

I should like also to ask a question of the Senator from Oregon. Has he thought of the fact that the absence of a precedent—and in his argument he has stated that he has been unable to find a precedent on this subject that is on all fours with the question presented here—would, ordinarily, and in the cautious practice of the profession which both he and I have tried humbly to serve, be a good reason for bringing this compact to the Congress for approval, and especially so when added to the other reasons which in the judgment of the junior Senator from Florida offer ample reasons for believing that this matter should necessarily be submitted to the Congress for its consideration and consent? In other words, has the Senator from Oregon given thought to the fact that the absence of a precedent on all fours, which he has referred to, is an additional argument and a good sound argument for the submission of this compact to the Congress for its consent?

Mr. MORSE. Mr. President, I shall take up the Senator's second question first. Knowing that the Senator from Florida is an exceedingly able lawyer, I am sure he will agree with me that when we are preparing a case on a set of facts and we cannot find any precedent which supports our legal theory regarding the case, we are inclined to say, "The going on this case is rather tough, and we are not in as strong a position as we would like to be, or as strong a position as we would be in if we had some good precedents on which we could support the theory under which we are trying the case."

It is quite true that the fact that at least up until this moment of the debate no precedent on all fours has been advanced in support of this compact, does raise the point, it seems to me, that by this compact we are plowing new legal ground. We are establishing an original precedent, and thus there is all the more reason, I think, why we should consider it very carefully, forward and backward, and be sure that in effect the new law which we shall establish by this new precedent is sound from the standpoint of national policy. Of course, I am never opposed to creating new law if the public interest demands that new law be created, but I like to have at least some historical precedent to go on, if I can find one. I say I have not been able to find one on all fours with this proposal. The very fact that we are plowing new ground by this compact, I think, deserves further consideration by the Judiciary Committee than it has received.

That leads me to the Senator's second question. Yes, I read the hearings. I am satisfied that the problem as to whether or not congressional approval of the compact is necessary was considered. But let me say, with exceeding respect to the subcommittee and to the Judiciary Committee that after reading their hearings I came to the conclusion they had not given sufficiently thorough consideration to that legal problem. I do not think that the members of the Judiciary Committee have given this matter

the careful consideration which it deserves. Irrespective of any question I have raised, I think the argument presented by the Senator from Kentucky yesterday in itself justifies a vote in support of a motion to recommit the compact to the committee.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. COOPER. I have read the record of the hearings held on the resolution, and I believe that only two witnesses testified concerning the necessity of approval by Congress. One witness was the chief proponent of the compact, the distinguished Governor of Florida, Governor Caldwell. The other was Mr. Thurgood Marshall, who appeared as special counsel for the National Association for the Advancement of Colored People. Mr. President, an examination of the record will disclose that the Governor of Florida himself said that he did not believe this compact required approval by Congress. His argument for approval seems to have been one of policy. An argument was made by Mr. Marshall that the compact does not require approvel. He cited some of the cases which the able Senator from Oregon is now citing.

I would like to suggest that the restrictions against the State set out in article I, section 10, of the Constitution are restrictions in chief against the exercise by States of Federal powers. If we apply the legal doctrine of association of terms in the interpretation of this section of the Constitution, the argument is strengthened that the kind of compact which requires approval is a compact which invades Federal powers.

I shall not interrupt the argument further except to point out those subjects of section 10 of article I of the Constitution which are chiefly subjects of Federal power. Section 10 reads as follows:

> No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts—

These matters are functions of the Federal Government. Continuing, section 10 recites—

> pass any bill of attainder, ex post facto law, or law impairing the obligation of contracts, or grant any title of nobility.

These are restrictions imposed by the Federal Government.

> No State shall, without the consent of the Congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and the net produce of all duties and imposts laid by any State on imports or exports shall be for the use of the Treasury of the United States, and all such laws shall be subject to the revision and control of the Congress.
>
> No State shall, without the consent of the Congress, lay any duty of tonnage, keep troops or ships of war in time of peace; enter into any agreement or compact with another State, or with a foreign power, or engage in war, unless actually invaded or in such imminent danger as will not admit of delay.

These matters are within the power of the Federal Government, and section 10 forbids their invasion by the States. It follows, Mr. President, that the agreements and compacts mentioned must be agreements or compacts invading the power of the Federal Government. I say again it is unfortunate that the States which are parties to this compact, which assert always, and rightly so, their freedom from invasion of their powers by the Federal Government, are, in effect, saying in this resolution that education is a field in which the Federal Government has power.

Mr. MORSE. I thank the Senator from Kentucky for this further contribution to the argument. He puts it much better than I could put it. Mr. President, you cannot read the compact section of the Constitution, in my opinion, without reaching the conclusion that the purpose of the section was to protect the powers of the Federal Government from invasion by the States, to the extent that those powers were granted to the Federal Government under the Constitution.

Mr. HOLLAND rose.

Mr. MORSE. If the Senator will permit me to finish this point, then I shall be glad to yield. I think we need to keep in mind the conditions that existed in this country at the time the Constitution was adopted. There was a great struggle as to how much power should be given to the Federal Government in the first place, and it was made a government of delegated powers. As was made clear by the constitutional fathers, the Federal Government could not exercise any power not specifically granted to it. But there were those in the Constitutional Convention who wanted to give it broader power. There was a fear existing at the time the Constitution was adopted that States might organize against the Federal Government, against the weak Federal Government that was just coming into existence—and really it was much weaker in the earlier days of our Constitution than many State governments. There were States more powerful than the Federal Government itself, and there was the fear on the part of some of the constitutional fathers that a combination of States, dissatisfied with the exercise of a specific power delegated to the Federal Government under the Constitution, might gang up on the Federal Government, so to speak, and thus the newborn Government, still weak, still in need of a great deal of implementation so far as new laws were concerned, might really be killed aborning.

That is the interpretation I place on the compact section, which was incorporated in the Constitution in order to protect the Federal Government from any ganging up on the part of the combination of States by way of agreements or treaties or understandings or compacts which might invade or impair the power of the Federal Government. In essence, I think that is the historical background of the compact section. And so no compact, I repeat—I wish I could say it as brilliantly as the Senator from Kentucky—no compact needs the approval of the Congress, unless it impinges upon a Federal function or power or jurisdiction, and then the Federal Government approves of that invasion to the extent that it is stated in the compact, if it meets with the approval of the Federal Congress. Also it should be added that in granting its aprpoval the Congress has the power to lay down conditions binding upon the compact. In my judgment a Federal question must be involved in a compact in order to have it subject to the sanction of the Congress. Hence I ask, Where is the Federal question in the proposed compact? If there is one that requires Federal sanction, then we, the Congress, cannot run away from our responsibility in determining what Federal policy we are going to sanction on a regional level in respect to civil rights. That is the theory of my argument. I agree with the Senator from Kentucky that in this instance there is no Federal section within the meaning of the compact section of the Constitution that requires the approval of the Congress; and, if there is none, then why go through a gesture in the Senate of the United States by approving this compact? Why go through an empty gesture regarding a compact which does not require our approval?

The Senator from Kentucky and the junior Senator from Oregon are either right or wrong on this question of law. I say it is a matter that should be considered further by the Judiciary Committee, and that is why I propose later to make a motion to recommit. I cannot read the court cases and the historical background of the compact section of the Constitution without reaching the conclusion that a question of Federal jurisdiction must be involved in a compact before congressional approval is necessary. I see none in this compact.

As I read the record of the hearings I agree with the Senator from Kentucky, that there is no evidence, at least within the printed pages, that the matter was given very thorough consideration either by the subcommittee or by the full committee. I certainly mean no disrespect by that statement. I merely do not believe that they went into all the ramifications and the facets of the problem before they decided to report the compact favorably to the floor of the Senate. In view of the fact that I am also of the opinion that we are plowing new legal ground in this proposal, with no precedent "on the nose," so to speak, I think we should deliberate long, seriously, and thoroughly before we take final action on the compact. I think it needs further committee consideration.

I now yield to my good friend from Florida.

Mr. HOLLAND. Mr. President, I want to comment briefly on the fact that the remarks just made by my friend the Senator from Kentucky [Mr. COOPER] fairly bring out the fact that the very point as to whether Federal consent to this compact is necessary appeared in the testimony of witnesses whom he described as the leading witness for the proponents and the leading legal witness for the opponents.

I call further attention to the fact, as stated yesterday by the senior Senator from Wisconsin, the chairman of the Committee on the Judiciary, that after mature research on the question, he and

his committee reached the conclusion that the approval of the Congress was required as to this particular compact. The reasons which he advanced were so cogent that I shall not now repeat them. There is one point, however, which I shall advance at this time in the hope that the Senator who has the floor will consider it and discuss it in the able argument which he is making.

The Senator from Kentucky has expressed the fear that the sovereign States which are participants in this compact are putting themselves in the position of granting that the Federal Government has jurisdiction in a field which is exclusively theirs. I should like to call to the attention of the Senator who has the floor the fact that there is nothing whatever in this compact which brings into the issue in any way the right of each of the States to continue exclusively to control the functions of education on the governmental level within their respective boundaries. All the law on the subject which has been settled up to this time, so far as I know, has been that each of the States within its own boundaries has, under our system of law, exclusive control of the functions of education. In the compact, however, there is no reference at all to the question of the right of any State within its own boundaries to follow the exclusive control of educational governmental functions, but, to the contrary, there is advanced here an effort, in the whole area affected, to carry education further than the State lines. Each of the States, having the right to control education within its own field, desires to go further and to act jointly with other States in forming regional schools for the joint benefit of all the States which may participate.

I should like to have the Senator consider and discuss his attitude on the question why this is not a completely different situation from any which has been adjudicated heretofore, in that the States are trying solely to associate themselves in the purpose of joint education. I call to the attention of the distinguished Senator that they are assuming, by this compact, to exercise jointly governmental functions, namely, functions in the field of education, which is a governmental field. I recall that the distinguished Senator from Kentucky yesterday in his able address remarked that one of the grounds for the exercise of Federal jurisdiction was derogation of the Federal power, the depreciation or diminution of Federal power, while another ground was the enhancement of enlargement of State power, jurisdiction, and responsibility.

It seems to me that the effort of the States jointly to operate in this field with reference to any particular institution which will be beyond the limits of every one of the participating States except solely the State in which the institution is located, does offer a situation under which there is a material enhancement of the governmental activities of the several participating States, not in a new field, in which they are not given authority to operate, for they do have authority to operate in education, but in an extension geographically of their operation so that they may operate jointly with other States.

I call a second point to the attention of the distinguished Senator, that several States may cooperate jointly which do not necessarily have to be even contiguous, for under the compact of 15 States one of the terms is that any two or more of those States, without any condition of contiguity, may operate jointly in a common educational venture which they regard of common importance. For instance, West Virginia and Florida might wish to cooperate, by themselves or in conjunction with other States, in the establishment of a school of mining and metallurgy, because both West Virginia and Florida happen to have important activities in that field.

I should like to have the Senator, if he will, consider and discuss, as he goes forward with his able address, those two questions, whether the enhancement of the field of activities of the States does not present a question which he thinks comes squarely within the rule announced yesterday by the Senator from Kentucky and a situation under which Federal consent should be sought as it is being sought; and further, whether the fact that States under this compact may and no doubt will be called upon to work jointly with other States whose boundaries do not adjoin them presents a new and substantial question. From my information, there is no precedent at all in connection with interstate compacts regarding States not bordering upon each other. I wish the Senator would consider whether that does not present a new question which, in itself, offers a necessary reason for the exercise of Federal jurisdiction and for the granting of Federal consent.

Mr. President, I have tried not to interrupt the Senator. I understood the distinguished Senator to say that he did not want to be interrupted by questions; but when I found other Senators questioning him I interposed the questions which I have just mentioned. I hope I have not trespassed by injecting these particular questions, which I hope the distinguished Senator will discuss, because it seems to me to be crystal clear that it is proposed to do something which have never been done before, which in itself is one ground for proceeding cautiously and with the desire to have questions solved and eliminated in the legal and regular way. It seems to me that here we have a situation in which the extension beyond the boundaries of each State of its activities in education does, by that very fact, present a situation under which a State's activities will be enlarged and in which the Federal Government necessarily has an interest. It does lie clearly within the purview of the constitutional requirement that States must come to Congress for consent to compacts before they may enlarge the scope of their activities.

I thank the Senator from Oregon.

Mr. MORSE. I thank the Senator from Florida for his questions. I shall discuss them momentarily now, but at greater length further in my remarks.

First, let me tell the Senator that I appreciate his interruption. I did say at the beginning of my remarks that in the interest of continuity I preferred, to the extent I could, to proceed with my legal argument first, and then at the close subject myself to cross-examination. I think the RECORD will show, however, that I said I was going to be very lenient in the application of that request, and if any Senator really felt that some matter was raised in my comments which he thought I should discuss by way of answer to a question put to me by him at that point, I would most courteously yield under those circumstances. Certainly the Senator from Florida and others who have interrupted me have raised very pertinent questions regarding the points I have been making, and I do not object to that type of interruption. I should like to proceed with my legal argument, however, with as much continuity as possible and then have a period of general exchange with Senators on the floor of the Senate who have questions to raise.

Mr. ROBERTSON of Virginia. Mr. President, before the Senator proceeds, since I have not been able to hear all his argument, let me ask whether he has discussed the point raised yesterday by the Senator from Kentucky [Mr. COOPER], when he claimed that the enactment of the pending joint resolution would not change the constitutional right of anyone in any of the States which claimed equal educational facilities.

Mr. MORSE. I have discussed the point. I have said, about the speech of the Senator from Kentucky, that I considered it such an able legal discourse on the issue presented to the Senate that I thought that speech alone clearly supported a motion which I contemplate making later, a motion to recommit the joint resolution to the Committee on the Judiciary for further consideration of the legal problems raised by the Senator from Kentucky.

I have already said that the major premise of the Senator from Kentucky, namely, that this compact does not require congressional approval, is completely in line with the position I took last Thursday in my first speech on the subject, and took again yesterday after the Senator from Kentucky finished his able argument, and reiterated this morning. In my opinion this compact proposal involves a very important question of constitutional law, which I have discussed at some length already this morning.

If I understand correctly the point the Senator from Virginia is raising, I say that his point goes into the question as to whether or not a Federal issue in fact is raised by the compact. If so, it is on a regional level, and raises a question then of regional educational policy and what the Federal conditions shall be to any particular regional educational compact. Or to be specific, whether or not on a regional basis the Congress of the United States should sanction segregation in institutions of higher learning. I do not see how we can escape that question of policy if the proponents of this compact press for congressional approval.

I say I do not think we should do that, and if the assumption of the proponents

of the compact is correct—and I do not think it is—that the approval of Congress is necessary, then we cannot escape the whole civil rights issue being raised in this debate.

Mr. ROBERTSON of Virginia. I cannot agree with my distinguished colleague in the latter conclusion.

Mr. MORSE. I am aware of that.

Mr. ROBERTSON of Virginia. I became a joint patron of the joint resolution now pending on the advice that the States in the South could not enter upon this joint enterprise to provide schools of higher technical learning for both white students and colored students without the approval of the Congress. But if it can be demonstrated with reasonable definiteness that no such approval is needed, I certainly would not want to insist upon taking up the time of the Senate—when it is hoped to adjourn the Congress by the 19th of June, though we have acted on only one or two minor appropriation bills and a few other vital measures—to discuss legislation which is not needed to enable us to do what we in the South would like to do.

If the distinguished Senator from Oregon can convince me that under the Supreme Court decisions Federal sanction to our compact is not needed, I shall gladly vote for his motion to recommit the joint resolution for whatever action the Committee on the Judiciary may see fit to take, because then I would be indifferent as to whether it took any action at all.

Mr. MORSE. I think it is perfectly obvious, I may say to the Senator from Virginia, that apparently there are differences of opinion over the issue the Senator has raised. For whatever value my opinion may be to the Senator from Virginia, I repeat what I have said in three speeches, that I do not think Congressional approval of this compact is necessary, because I do not believe any Federal issue is raised in terms of the meaning of the compact section of the Constitution. But if we are to proceed on the assumption that approval is needed, then I say we have to go into the whole question as to what Federal policy should be in education in higher institutions of learning on a regional level.

Now let me here say a word, though I expect to go into it in greater detail later, about two questions asked by the Senator from Florida. I am somewhat puzzled, I say to my good friend from Florida, as to whether the proponents of the compact have one or two legal theories on which they are trying their case in support of this compact. As I read the hearings, it was my conclusion that the proponents took the position that it was their predominant theory that this compact rested upon State prerogatives over State education. I agree completely with the theory of State prerogatives over State education. I believe though that the proponents of this compact are violating that theory when they ask for the approval of the Federal Government of a compact dealing with education on a regional level. This may lead to Federal invasion into the field of education which the proponents of this compact will come to recognize as a serious mistake on their part.

As I said yesterday, and now repeat—a point the Senator from Kentucky also made—I am one who believes in State prerogatives over education. As a member of the Committee on Labor and Public Welfare I would not have gone along with the recent Federal aid to education bill had I not been satisfied that the bill protected the States' rights over education within their borders from Federal domination.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. IVES. In view of the remarks of the able Senator from Oregon, and the very interesting address delivered yesterday by the able Senator from Kentucky, I rise to inquire whether the Senator would construe the particular compact which is before the Senate as an entering wedge of the Federal Government in the control of higher education in the States? I think that is pretty fundamental from the educational standpoint.

Mr. MORSE. I think the Senator from New York is completely right. If we must have—and I deny we do—Federal approval of the compact for education on a regional level there is a great danger of Federal invasion of our educational system. As I said a few moments ago, the compact pertaining to a region of 16 States can be expanded to 25, 35, or any other number, such as 47 States. In the latter contingency we would have a regional policy covering 47 out of 48 States, practically the entire country, and if we followed a theory then in support of this compact that it was necessary to have Federal approval in order to establish regional schools, we certainly no longer would have State control of education within the boundaries of the States. I say that because the Congress has the right to lay down conditions which must be complied with by regional schools as the basis for obtaining congressional approval of the compact. It does not need much argument to point out the danger that this compact presents as far as Federal interference with education is concerned. The Senator from New York is entirely right in raising the question he has and in pointing out the danger of Federal invasion into the field of education. I agree with the Senator from Kentucky, and believe that his contention in regard to this matter is sound.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MORSE. I want to get to the two questions if I can, so there will be some relation in the RECORD of my answers to them, but I yield.

Mr. HOLLAND. I should like the Senator to spell out a little more clearly how, by any course of logic beginning with the fact that Congress is being called upon to consent to a regional structure covering 15 States, or even 47 States, as the Senator has put it, the Senator comes to the conclusion that the right of each State within its own boundaries, exclusively, to control public education is affected or in any way touched by such a program.

Mr. MORSE. Oh, there is one point which I respectfully suggest the Senator has overlooked, and it is the one over which the debate is all about. If it is essential to have Federal approval for the compact, once jurisdiction over the compact is assumed on the floor of the United States Senate, then we have the power and the right and the duty to impose conditions under which we will accept the compact covering regional education. That is what the debate is all about. I say if we have to approve of this compact in order to have it put into effect, then it becomes the clear duty, in my judgment, for the Congress of the United States to spell out national policy so far as education on a regional level is concerned, which means specifically, according to my sights, a prohibition against segregation.

Mr. HOLLAND. Mr. President, will the Senator yield for one more question?

Mr. MORSE. I yield.

Mr. HOLLAND. Does the Senator feel that by the approval of the compact for a regional education structure any condition could be imposed upon the kind of schools that would be operated by each State within its own boundaries?

Mr. MORSE. Absolutely, if—and let the RECORD emphasize the word "if"—if there must be congressional approval of a compact for the setting up of regional schools. I say that because then it becomes necessary to draw a line, let me say to my good friend from Florida, between the geography of land boundaries and, in quotation marks, "the geography of legal principles." Referring now to the "geography of legal principles," so to speak, under the Constitution, we come face to face with the compact section of the Constitution, and if we are met with the theory so ably advanced by the Senator from Kentucky, with which I am in complete agreement, that we are dealing here with a compact which itself in some way comes in contact with Federal power, in some way impinges upon Federal power under the Constitution, then we have the right to determine to what extent we are by way of a compact going to relieve ourselves as a Federal Government of such power. We do not have any right to approve this compact, it seems to me, if the Senator shares my views as to what sound public policy ought to be from the standpoint of segregation, without putting a condition in the compact that the regional schools which we would sanction by approving this compact must operate on the basis of the Morse amendment on discrimination. If the Senator's theory is correct as to the need for congressional approval of the compact—and I do not think it is—then I do not see how we can avoid, or should avoid, laying down some very definite conditions which shall govern the regional schools we are approving. Those conditions should be in accordance with my amendment that there should be no discrimination on the basis of race, color, or creed. In other words, as expressed in the terms of my amendment, that there shall be no discrimination on the basis of race, color, or creed applied to regional education provided for by this compact.

I say most respectfully and most sincerely to the Senator from Florida that I quite agree with the representation which was made by the counsel for the governors themselves when this matter was in the framing stage, that it is not necessary to secure the approval of Congress. May I say most respectfully, that the proponents are making a mistake in trying to raise this issue through the compact. It is an unnecessary move, it seems to me, in view of the fact that there is the point of view expressed by some of us on the Senate floor that we have a duty which we cannot evade so far as our responsibilities, as we see them, are concerned of insisting upon the Morse amendment if the proponents of this compact take the position that Congress should approve the compact.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HOLLAND. I should like to correct one misapprehension under which the Senator from Oregon is laboring. It is not a fact that the counsel for the governors all felt, or any great preponderance of them felt, that there was not involved a question for submission to Congress. There was difference of opinion, but the majority of counsel felt that the problem did require submission to Congress. In addition to that, the very able attorneys who were representing the foundations which had a peculiar interest in the matter, in connection with Meharry College, upon making a study of the law and precedents were, as I have been advised, of the opinion that the consent of Congress should be required. The same observation should be made with reference to very able counsel representing Meharry College itself. So that I would not want the Senator to proceed under a misunderstanding of the situation.

As I understand, and I talked not with all the attorneys but with several of them, most of them felt that of necessity the matter had to be submitted to Congress. But there were others of a different opinion, and the divergence of opinion, I submit to the President of the Senate and to all Senators, is as good a reason as we could have for wanting to iron out this question here, so that it will not come up on every taxpayer's suit, as mentioned by the Senator from Kentucky yesterday, and so that it will not operate to defeat the intention, and the necessary intention, of the Meharry College trust authorities who have accepted millions of dollars as gifts and trusts for expenditure in building and maintaining a school for the colored race. They cannot make that school available, they cannot turn it over to the Southern States as they are offering to do, unless they have assurance, Mr. President, that the purpose of the donors—and they were exceedingly generous donors—is safeguarded.

Therefore there was not only the difference of opinion, but the great preponderance of opinion on the part of counsel, as the Senator from Florida has been advised, was that this situation necessarily required the submission of the compact to Congress for its consent under the constitutional provision. I thought I should state that because I believe the Senator was proceeding under a misapprehension as to what the situation was.

Mr. MORSE. Mr. President, I am very glad to have the statement, because I am sure that the Senator from Florida knows that the junior Senator from Oregon always wants to have the facts. The statement I made with regard to the advice that I understood was given the Governors' Conference on this matter was that counsel advised that it was not necessary to have this compact approved by the Congress. But it is now my understanding that there was a division of opinion among the attorneys. The Senator from Florida says a majority of them advised the governors that they should secure congressional approval, and others, a minority of them, advised that approval was not necessary.

Mr. HOLLAND. Mr. President, it went further than that. A majority of them felt, at least as I understood, that a submission to Congress was necessary and the procurement of the consent of Congress was necessary. They did not base their opinion solely on the question of policy, but upon their belief as to what the law required. The same opinion motivated the attorneys for the foundations and Meharry College, as I attempted to say.

Mr. MORSE. Mr. President, as to the last statement I want to make further reference. Now we find that some of them advised the governors that approval of the Congress was necessary. But we need to go into the question as to what motivated that advice, and, as I shall show later, or I think I can show later, the whole question of policy is what disturbs the representatives of the governors of the Southern States in regard to this matter, and that, inherent in their advice, was the point of view that the approval of the compact would be helpful in determining the whole question as to civil rights in regard to segregation on a regional level. Now that is quite a different thing from a lawyer advising the governors that as a matter of law under the compact article of the Constitution the compact had to be approved by Congress. It is quite a different thing from advice saying that it would be good policy for various reasons, in the fact of possible future legislation, to get congressional approval of the policy of segregation which would be applied to a regional school, and, of course, that is very important in this debate.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HOLLAND. The Senator evidently cannot understand, or has not wanted to understand, plain English. I told him as clearly as I could state it that the preponderance of counsel advising the southern governors and of counsel advising the foundations and the college, as I have been informed, felt that the submission of this compact to the Congress for the giving of its consent was necessary. There were others who felt that it was not necessary, but according to my understanding they were of fewer number than those who felt that it was necessary. So any argument which would attempt to predicate the position of the southern governors upon a mere question of policy is again founded upon an unsound statement of the facts and a misunderstanding of the situation. I am trying to make that perfectly clear so that the Senator will not again fall into the error into which he has twice fallen already.

Mr. MORSE. Mr. President, let me assure my good friend from Florida that I understand the English language just as clearly as does the Senator from Florida. He is not going to help the cause of a friendly exchange of point of view in this debate by making any such sarcastic remark as he has just made. He and I had better have that understanding at the very beginning of this debate. I am willing to meet him on the legal issues involved, but I am not going to exchange personalities with the Senator from Florida. I only answer his question on the basis of my understanding of what motivated counsel in advising the governors. I am going to let the RECORD speak for itself before I am through with this debate, as to what their motivations were.

I am satisfied that behind the move to have the compact approved by the Congress of the United States is one motivation, among others, which counsel recognize, as I would, if I were counsel for the governors, namely, that it would be very beneficial to have this compact approved by the Congress of the United States for use in legal argument later before the United States Supreme Court. If I had the job of making this compact and the segregation policies which will be applied under it in a regional school stand up before the United States Supreme Court, I should consider myself in a stronger position if I had congressional sanction of that policy. That is one of the issues this debate is all about.

In my judgment, there is no escaping the fact that there are many reasons why counsel want this compact approved; but one of the reasons is the reason which raises the whole question of civil rights in relation to this compact—the question whether or not the Congress of the United States should sanction a compact which permits the establishment of regional schools in which there shall be segregation. I say that such a policy is a mistake for Congress to approve. It must not be done. I am opposed to it and I shall fight it to the very best of my ability.

I wish to say further that I should like to have the advice and the legal opinion of the Attorney General of the United States with relation to this compact. I should like to see him appear before the Judiciary Committee. I should like to have him prepare a brief on this compact so far as any necessity for congressional sanction is concerned. That is one reason why I think we ought to recommit this measure, and why I shall move to recommit it.

I wish to return to Virginia against Tennessee. At page 521 the Court said:

> The Constitution does not state when the consent of Congress shall be given, whether it shall precede or may follow the compact made, or whether it shall be express or may

be implied. In many cases the consent will usually precede the compact or agreement, as where it is to lay a duty of tonnage, to keep troops or ships of war in time or peace, or to engage in war.

That language in the decision is a direct reference to the point already made by the Senator from Kentucky when he brought out the fact that we must read the entire compact section to understand its true meaning. It must be read in relation to other Federal rights, prerogatives, and jurisdiction set out in the Constitution itself.

The Court continued:

But where the agreement relates to a matter which could not well be considered until its nature is fully developed it is not perceived why the consent may not be subsequently given. Story says that the consent may be implied, and is always to be implied when Congress adopts the particular act by sanctioning its objects and aiding in enforcing them—

Note that language—

and is always to be implied when Congress adopts the particular act by sanctioning its objects and aiding in enforcing them.

Have we a situation in which we want to have the Congress sanction segregation in regional schools and aid in enforcing it?

Thus far in my speech today I have dwelt largely upon the question whether or not congressional approval of this compact is necessary. I have made as clear as I can make it my view that it is not necessary. Let me proceed to the next issue.

It now seems well established that where Congress is called upon to give its consent that consent may be granted conditionally. In *Arizona* v. *California*, (292 U. S. 341 at 345 (1934)), it appears that by the act of Congress, August 19, 1921 (42 Stat. 171), Congress authorized an interstate compact regarding the waters of the Colorado River. It further appears that the act of Congress, December 21, 1928 (45 Stat. 1057), approved the Colorado River compact subject to certain limitations and conditions which were inserted by Congress and the States parties thereto had to ratify the compact as so modified. Mr. Chief Justice Hughes, speaking for the majority of the Supreme Court in *James* v. *Dravo Construction Company* (302 U. S. 134 at 148), best summarizes the power of Congress in this respect:

Normally, where governmental consent is essential, the consent may be granted upon terms appropriate to the subject and transgressing no constitutional limitation. The Constitution provides that no State without the consent of Congress shall enter into a compact with another State. It hardly can be doubted that in giving consent Congress may impose conditions.

Let me repeat that, Mr. President. Mr. Chief Justice Hughes, in 302 United States 134, said:

It hardly can be doubted that in giving consent Congress may impose conditions.

If there is a Federal question involved in this compact we can impose conditions such as those set forth in my amendment. If no Federal question is involved, then it is but an empty gesture to have this compact before the Senate. We cannot have it both ways. We either have a Federal question involved or we have not. If we have one, then it is a Federal question which relates to the establishment of regional schools and to the policy which Congress will sanction in respect to such regional schools, in relation to civil rights.

I am not asking that Congress lay down any policy with respect to these regional schools, in that I am not asking for the passage of the compact. I have not raised the issue. The proponents of the compact raised it. But if congressional sanction is to be required in this instance, I for one am going to do all I can to give Members of the United States Senate an opportunity to vote on conditions which, according to my sights, will amply protect civil rights so far as a sound national policy applied to regional schools is concerned.

The only remaining question then is whether the proposed condition prohibiting segregation transgresses constitutional limitation. It is clear that congressional prohibition of segregation in areas subject to Federal control is consistent with Federal public policy, *Morgan* v. *Virginia* (328 U. S. 373). Other cases which I think are in line are *Bob-Lo Excursion Company* v. *People State of Michigan* (68 S. Ct. 358 (1948)) and *Hurd et al.* v. *Hodge et al.* and *Urciolo et al.* v. *Hodge*, decided by the United States Supreme Court on May 3, 1948. In the Bob-Lo case the Court decided as a matter of policy that a Michigan civil rights statute which prohibited discrimination could be applied to an excursion boat operated by a Michigan corporation in foreign commerce. The prohibition against discrimination was held not to be a prohibited burden on interstate or foreign commerce, even though Congress had not acted in the premises. In the Morgan case the Court held that a Virginia statute requiring segregation in transportation within the State could not be applied to passengers in interstate commerce. Thus, the Court in the Morgan case holds that a State statute which attempts to separate the races is an unconstitutional burden on interstate commerce when applied to interstate passengers; whereas in the Bob-Lo case a State statute which prohibits racial discrimination may constitutionally be applied to interstate commerce. The Federal policy is thus clear: That segregation may not constitutionally be applied by the States with respect to interstate passengers.

It is equally clear that this Federal policy would operate to prohibit the extension into interstate commerce of the segregation which is implicit in this regional education compact. Further than this, in the Hurd and Urciolo cases—District of Columbia restrictive covenant cases—the Supreme Court held that the public policy of the United States as laid down in the case of Shelby against Kraemer—the State restrictive covenant cases decided the same day—prohibits Federal courts from judicially enforcing racial restrictive agreements. Here the Supreme Court of the United States is saying that the Federal Government is without power to lend its aid to the enforcement of restrictive covenants. Under this decision not only is it constitutional for this Congress to condition its consent to the proposed regional education compact by prohibiting segregation, but it is submitted that congressional consent to this compact without the proposed amendment is beyond the power of Congress.

Since the Federal Government has the power to prohibit segregation in areas subject to its control, it follows that it may require the prohibition of segregation as a condition to its consent to an interstate compact. The possible contention that the proposed condition is a violation of the provisions of the tenth amendment to the United States Constitution, in that it attempts to control education—a subject reserved to State control—is met by the fact that this urgent request for congressional consent concedes that the matter is within the area of Federal control. Otherwise there would be no necessity for seeking congressional consent. Moreover, not only does this joint resolution and compact represent a concession that the area in question is subject to Federal control, but, what is more important, it represents a request that Congress exercise a Federal power enumerated in the Constitution.

It has been strenuously argued that because the States signatory to this compact have laws requiring segregation in education, the Congress may not constitutionally impose a condition of nonsegregation in consenting to this compact. It is said that to impose such a condition would be a regulation of a local matter and a regulation in conflict with existing State policy. The short answer to this contention is that the Congress in exercising its power to consent is exercising one of its federally enumerated powers, under the Constitution, or that in exercising its power to consent to a compact, under the compact section of the Constitution, is exercising one of the enumerated powers granted to the Federal Government.

It is elementary that the Federal Government may perform its functions and exercise its powers without conforming to State laws. That was held in *Arizona* v. *California* (288 U. S. 423 at 451), a 1931 case. Federal policy is supreme in areas subject to Federal power and control, even where such Federal policy is in conflict with State laws otherwise valid. As to the compact in question, however, the assumption that the State laws requiring segregation in education are constitutional is not supported by the cases. Moreover, the argument that it would be unconstitutional for Congress to condition its consent by prohibiting segregation, is based upon the unwarranted assumption that the United States Supreme Court has held that State laws requiring segregation in education are valid.

It may be stated as a fact that the Supreme Court of the United States has never had occasion to rule directly on the question whether compulsory segregation in education, even where substantially equal facilities are afforded, is a denial of rights under the fourteenth amendment. The Attorney General of the United States so concluded in his

brief for the United States as amicus curiae in the restrictive covenant cases. See page 59 of the brief. In the case of *Missouri ex rel. Gaines* v. *Canada* (305 U. S. 337), it was held that the Negro petitioner was entitled to be admitted to the law school of the State University, no other proper provision for his legal training having been made. It was the Missouri State court which, in 344 Missouri 1238, interpreted the mandate as being fulfilled by furnishing separate and equal facilities; but I submit that the Supreme Court did not say so in that case. In *Gong Lum* v. *Rice* (275 U. S. 78), the issue of segregation was not directly raised, although its validity was assumed by the Court. The case of *Cummings* v. *Board of Education* (175 U. S. 528), involved the question whether an injunction to restrain the collection of local taxes was proper. Here, again, the issue of segregation was not directly passed upon. In the *Berea College case* (211 U. S. 45), the decision, as I read that case, was limited to the validity of a State statute prohibiting a corporation from receiving both Negro and white students. In Sipuel against Board of Regents of the University of Oklahoma, the issue of segregation was not involved because the State provided no legal educational opportunities for the Negro petitioner. The Court held, as it did in the Gaines case, that the Constitution had been violated. The State of Oklahoma has sought to conform its educational policies to the Supreme Court decision by providing separate legal education. Not until this case gets back to the Supreme Court of the United States, or until a similar case coming up from the State of Texas is decided by the United States Supreme Court, shall we be in a position to say whether or not segregation in education is constitutional.

Mr. President, I digress at this time to point out that such a procedure is the good, American way of determining differences over points of law. I am not impressed with any argument that we should ratify this compact in order to avoid taxpayers' suits. I believe a taxpayer suit is all that is necessary to get to the Supreme Court of the United States on this issue and to settle with finality the question of law which is being raised in this debate. I say a taxpayer suit is the proper way to raise this issue and have it determined by the Supreme Court of the United States. I say it is not proper, Mr. President, for the Congress of the United States, for whatever value its action might be in argument by counsel before the Supreme Court, to give sanction to this compact, because one reason—among other reasons—which some persons have for wishing to have this compact approved by the Congress is the fact that it will help them, according to their views, in connection with a Supreme Court decision later to be rendered, after due litigation. They want to secure congressional sanction of segregation. They think it will help them in future cases before the Supreme Court. I am not in favor of having the Senate of the United States participate in that kind of a process.

So I say, Mr. President, that should the Congress consent to the compact without the imposition of a condition prohibiting segregation, it will be approving and aiding in the extension of segregation in education on a regional level, and it will do this in spite of the reports of two Presidential committees, the President's Committee on Civil Rights and the President's Commission on Higher Education, that more than 50 years of segregated education have resulted in gross discrimination against Negroes in their efforts to secure equal educational opportunities. Since the United States Supreme Court has not as yet held that segregated education is constitutional, and since the irrefutable evidence is that segregated education as carried out by the very States signatory to this compact has resulted in gross discrimination against Negroes, the very least that the Congress can do, it seems to me, is to consent to the compact only upon condition that segregation is prohibited in a regional school. Only by so doing can Congress avoid approving and extending segregation in education, in fact and in effect.

In the light of the above arguments that I have endeavored to present, one is led to wonder why congressional approval is so vigorously urged here. I speak my views in answer to that question. It is not unreasonable to conclude that at least one purpose for seeking this approval is to make available evidence of congressional support of the policy of segregation in education when that issue is subsequently presented to the Supreme Court in cases now pending in the lower courts.

THE REGIONAL COMPACT AS PROPOSED IS UNCONSTITUTIONAL

Mr. President, I now desire to discuss briefly the question whether or not the regional compact itself, as proposed, might not be found to be unconstitutional.

The fourteenth amendment to the Constitution of the United States, section 1, provides that "no State shall deny to any person within its jurisdiction the equal protection of the laws." The protection afforded by the equal-protection clause extends "to all persons within the territorial jurisdiction without regard to any difference of race, or color, or of nationality. Supporting that proposition, I cite *Yick Wo* v. *Hopkins* (118 U. S. 356); quoted in *Truax* v. *Raich* (239 U. S. 33). Speaking of the scope and extent of the police power, the Supreme Court, in *Lawton* v. *Steele* (152 U. S. 133), said:

> To justify the State in thus interposing its authority in behalf of the public, it must appear, first, that the interests of the public generally, as distinguished from those of a particular class, require such interference; and second, that the means are reasonably necessary for the accomplishment of the purpose, and not unduly oppressive upon individuals.

As I read the cases—I may read them wrongly, Mr. President, but as I read the cases, as a lawyer, it is my view that in an unbroken line of cases the Supreme Court has tested this equality of protection, as in the language of the fourteenth amendment it must, by the exertion of State power within the boundaries of the State itself:

> Manifestly the obligation of the State to give the protection of equal laws can be performed only where its laws operate, that is, within its own jurisdiction. It is there that the equality of legal right must be maintained. The obligation is imposed by the Constitution upon the States severally as governmental entities—each responsible for its own laws establishing the rights and duties of persons within its own borders. It is an obligation the burden of which cannot be cast by one State upon another, and no State may be excused by what another State may do or fails to do. That separate responsibility of each State within its own sphere is of the essence of statehood maintained under our dual system.

That is a quotation from the *Gaines case* (305 U. S. 337).

Mr. President, I hold to the theory that we are dealing here in the compact not with the geographic or land jurisdiction of a State; we are dealing here not with State boundaries; we are not dealing here even with the question of what legal rights the States may have under existing decisions of the United States Supreme Court, over education within their States—such decisions being related, of course, to State laws in respect to State schools. We are dealing here, Mr. President—and this dilemma cannot be avoided—with the exercise of legal powers beyond the State, through the medium of a regional school plan. That is why I think the quotations I have cited from the Supreme Court decisions are very apropos and much in point.

Each of the 15 States signatory to this regional compact has a State university, a State law school, a State agricultural and mechanical college, and, with one or two exceptions, I believe, each one has a State medical school, all for whites only. I have tried to verify these figures. I think they are correct. If they are not correct, they are incorrect only to a very minor extent, and I shall be glad to have the RECORD corrected later if I have, in trying to find out the type of schools existing in the various States, omitted any school in any particular State. But, I can be sure that the figures I have just given are approximately correct. So far as I can ascertain, in none of the States signatory to the compact is there a medical school, law school, or State university for Negroes. I am referring to State schools. I do not include Meharry, which is not a State school. Texas has a State university for Negroes. There is some question as to the standards of the school, but at least it has a State university for Negroes, so I am told. This regional plan does not propose to close any of these State schools for whites, but proposes to set up regional schools, as its proponents say, for "all the people." But the only school mentioned in the compact, the sole basis for the plan is to set up a regional medical school to save Meharry Medical School, a medical school for Negroes located in Tennessee. On the face of the compact it is to do what the Supreme Court said in the

Gaines case cannot be done. The Court said:

> We find it impossible to conclude that what otherwise would be an unconstitutional discrimination, with respect to the legal right to the enjoyment of opportunities within the State, can be justified by requiring resort to opportunities elsewhere. That resort may mitigate the inconvenience of the discrimination but cannot serve to validate it.

That is not my language, Mr. President. That is the language of the United States Supreme Court, in the Gaines case. I want to see how the proponents can get around it, through it, behind it, over it, or in front of it. I understand the English language, Mr. President. I understand that this is good English language used by the Supreme Court, when the Supreme Court, in the Gaines case, said:

> We find it impossible to conclude that what otherwise would be an unconstitutional discrimination, with respect to the legal right to the enjoyment of opportunities within the State, can be justified by requiring resort to opportunities elsewhere. That resort may mitigate the inconvenience of the discrimination but cannot serve to validate it.

That is a trenchant paragraph. My personal view, speaking only for myself, is that it has caused great consternation in some places. I think that paragraph has rncreased the drive for the passage of this compact through the Senate.

Some of my friends from the Southern States may not realize or appreciate it, but time and time again in the past, and it will be true also in the future, I have been willing to subject myself to severe censure from some so-called liberal groups, because, in my opinion, they want to move too fact in the field of implementing civil rights. Of course, I have no argument by which I can answer the $64 question with which they always hit me between the eyes when they say, "If you are right in your argument that we have these rights under the Constitution, what is wrong with giving them to us now?" I do not have an answer for that, except the answer of a realist, the answer of one who recognizes, as I have said so many times, that we cannot move too fast in the social, economic, and political field in America and retain our system of government. We cannot ignore the fact that we have a tremendous background of social, economic, and political conditioning factors which have developed diversity of points of view in our democracy. So when I argue that there must be time for the operation of educational processes in this democracy some of my liberal friends are just as critical of me as are some of my southern friends, but for different reasons. My southern friends think that I would go too fast, and my liberal friends think I would not go fast enough in ironing out our civil-rights problems. But I think I go just as fast in civil-rights matters as we can go and still keep this strong democracy of representative government, which must be kept if we are to have any civil rights at all. I am only insisting that our march forward in implementing the Constitution of the United States shall never be turned into a march backward. Let us go ahead as the populace of our country becomes conditioned to the truer meanings of democracy to which I think we have not given as yet complete effect in our history in respect to social, economic, and political relationships contemplated by the Constitution.

It is because out of the depths of my heart I am convinced that this compact would be a step backward if Congress sanctioned it, because it would be sanctioning a step backward in civil rights as concerns segregation, that I express myself so deeply on the subject. That also, Mr. President, is why I emphasize the incisive language of the Supreme Court in the Gaines case, because that language, if I correctly understand English, and I think I do, at least, shall I say, intimates, suggests, or implies that the State of Missouri in the Gaines case would not have solved the problem raised in the case through a regional school. I admit that it is not a decision "on the nose," but what else does the language mean? I read it once more, and for the last time, in order to drive home the point which I am endeavoring to make. The Court said:

> We find it impossible to conclude that what otherwise would be an unconstitutional discrimination, with respect to the legal right to the enjoyment of opportunities within the State, can be justified by requiring resort to opportunities elsewhere. That resort may mitigate the inconvenience of the discrimination, but cannot serve to validate it.

Thus I say: It is plain on the face of this regional compact that it proposes to require Negroes to resort to Meharry Medical School outside the borders of each of these signatory States, except Tennessee, and possibly two others, for medical education furnished whites in the State of their residence. This the Supreme Court has declared to be an unconstitutional requirement.

The Supreme Court has consistently held that the exertion of State powers in discriminating against Negroes in the acquisition, use, and occupancy of real property is a violation of the equal protection clause of the fourteenth amendment, by legislation.

That, of course, raises the cases of Buchanan against Warly, Richmond against Deans, Harmon against Tyler, Shelly against Kraemer, and Sipes against McGhee. It raises them in the form of the court's declaring that there cannot be Federal enforcement. That is all I am saying, Mr. President; that is all the court said. But that, too, is rich with implied meaning, so far as concerns the constitutionality of what is behind the proposal which I think is involved in this compact.

In Hurd against Hodge and Urcioia against Hodge the Supreme Court held that Federal courts were without power to judicially enforce racial restrictive covenants, first, because it violated section 1978 of the Civil Rights Act, but that even apart from the statute such judicial action was prohibited; second, by reason of the public policy of the United States laid down in Shelly against Kraemer, supra. It may be argued that in many other cases the Supreme Court has upheld such exertions of State power.

See, for example, *Plessy* v. *Ferguson*, (163 U. S. 537), where the Court upheld a Louisiana statute separating the races in interstate transportation on the grounds of public policy. The public policy there set forth has since been overruled by the Supreme Court in *Morgan* v. *Virginia* (328 U. S. 373), Bob Lo and Shelly against Kraemer. In all cases since that time, Missouri against Canada, supra, the Sipuel case, the Mitchell case, the issue has not been raised. Hence this compact is on its face prohibited by the public policy of the United States. At least I think there is sufficient merit and soundness in the argument, Mr. President, so that it will have to be tried in the Supreme Court of the United States for final determination.

Even if this compact were fair on its face, and constitutional—which I deny—it would be unconstitutional in that it is to be operated in a group of States whose laws provide for separation of the races in education, and for 80 years these States have administered their separate school laws so as to discriminate against the Negro. In addition to schools of law and medicine and the universities mentioned before, each of these States has an engineering school for whites and not a single one has an engineering school for Negroes—that is, a State school. That is the factual result of the so-called "separate but equal doctrine" set forth in *Plessy* v. *Ferguson* (163 U. S. 537). Though the law itself be fair on its face and impartial in appearance, yet, if it is applied and administered by public authority with an evil eye and an unequal hand, so as practically to make urgent and illegal discriminations between persons in similar circumstances, material to their rights, the demand of equal justice is still within the prohibition of the Constitution. *Yick Wo* v. *Hopkins* (118 U. S. 56).

Therefore, this history of the administration of separate schools in the States entering this compact, which compact organizes only one school by its terms, and that a segregated medical school for Negroes, shows that even if fair on its face, this compact is unconstitutional, for it is an integrated part of a segregated system which has operated consistently to discriminate against Negroes.

This compact is unconstitutional in that it by its terms and conditions proposes to increase the legal disabilities facing a Negro plaintiff beyond those facing white plaintiffs in each of these signatory States, and there deprive Negroes of liberty and property without due process of law. This compact denies Negroes due process of law in certain instances.

Mr. WHERRY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. MORSE. No; I shall not yield for that purpose. I am sure we cannot

finish the debate today, and Senators can read my remarks in the RECORD. I appreciate the courtesy of the Senator from Nebraska in suggesting the absence of a quorum. However, there are a considerable number of Senators here and I know that several committees are meeting right now. In fact, I should also be at a meeting of the Armed Services Committee.

Returning to my argument, I wish to point out that Negroes must not only test the equality of laws in respect to a medical school in the States where they live, but must now litigate under this compact the question whether the test of equality, if Congress consents to this compact, is not to be judged on the basis of the region rather than the State. This compact raises this constitutional question for the first time—a legal disability to a Negro citizen under this compact: Does this compact and the assent to it by Congress enlarge the area in which the constitutional test of equality must be applied?

I say that, Mr. President, because according to my theory of the argument a Negro plaintiff now would not be fighting a Supreme Court case on the basis of his rights under State law, but under this compact he would have to fight for his rights on the basis of a regional plan set forth in the compact. I seriously question that the compact conforms to the Constitution, insofar as the question I have raised is concerned, namely, does this compact and the assent to it by Congress enlarge the area in which the constitutional test of equality must be applied? I can see how the Supreme Court might very well find that such is exactly what it does, and therefore that it is deficient on constitutional grounds for that reason.

Further I point out that a Negro plaintiff must now litigate another question not faced by whites under this compact. Does this administrative remedy under this compact and the assent to it by Congress include an application to this board of regents, or recourse to Congress? I think that question has to be answered, too, in order to determine the legality of the compact.

Now, by way of summary of my argument, and reenforcement of what I have already said so many times extemporaneously on the floor of the Senate in my three addresses, I wish to cover, in conclusion, once again, the question as to the requirements of congressional approval of the compact, because I think that is the keystone argument of the whole debate.

If the Senator from Kentucky and I can establish the proposition, as I think we can, as a matter of law, that congressional approval is not necessary, then I think it will be pretty difficult for anyone to make a sound argument against recommitting the joint resolution for further study by the Committee on the Judiciary. I think it is the all-important argument, at least at this stage of the debate, on which I want to rest my case.

THE PROPOSED REGIONAL EDUCATION COMPACT DOES NOT REQUIRE CONGRESSIONAL CONSENT

Article I, section 10 of the United States Constitution provides in part that "no State shall without the consent of Congress enter into any agreement or compact with another State." Literally construed, this provision would apply to all interstate agreements, but it has always been recognized that certain types of interstate agreements are valid and operative without congressional consent.

Interstate compacts to which the constitutional provision applies are those tending to the increase of political power in the States which may encroach upon or interfere with the supremacy of the Federal Government.

In *Virginia* v. *Tennessee* (148 U. S. 503 (1893)), the meaning and scope of the terms "agreement' and "compact" are considered and explained. At pages 517 and 518 of the opinion it is said:

> The terms "agreement" or "compact" taken by themselves are sufficiently comprehensive to embrace all forms of stipulation, written or verbal, and relating to all kinds of subjects; to those to which the United States can have no possible objection or have any interest in interfering with, as well as to those which may tend to increase and build up the political influence of the contracting States, so as to encroach upon or impair the supremacy of the United States or interfere with their rightful management of particular subjects placed under their entire control.

Continuing at page 519, the Court says:

> Looking at the clause in which the terms "compact" or "agreement" appear, it is evident that the prohibition is directed to the formation of any combination tending to the increase of political power in the States, which may encroach upon or interfere with the just supremacy of the United States.

An exhaustive article entitled "The Compact Clause of the Constitution—A Study in Interstate Adjustments," by Felix Frankfurter, now Associate Justice of the United States Supreme Court, and James M. Landis, is published in 34 Yale Law Journal 685 (1925). In this article a distinction is made between interstate compacts which have as their subject matter activities essentially local in their nature and not directly affecting interests of States other than signatories on the one hand, and on the other, State compacts whose subject matter and/or effect invades areas subject to Federal control. It is that theory I sought to emphasize in my colloquy with the Senator from New Mexico [Mr. HATCH] some moments ago.

It would appear that it is only this latter type of interstate compact whose validity depends upon congressional consent. This article points out further numerous instances of interstate cooperation which have never been thought to require congressional consent. The work of the National Conference of Commissioners on Uniform State Laws is referred to, as well as the technique of reciprocal legislation and conferences of governors and other State officials with or without collaboration with Federal authorities.

In an article entitled "What Did the Framers of the Federal Constitution Mean by 'Agreements or Compacts'?" Third University of Chicago Law Review, 453, 1936, Abraham C. Weinfeld concludes at page 464 that—

> "Agreements or compacts" as intended by the framers of the Constitution included (1) settlements of boundary lines with attending cession or exchange of strips of land; (2) regulation of matters connected with boundaries, as, for instance, regulation of jurisdiction of offenses committed on boundary waters, of fisheries or of navigation.

The basic question is as to whether this regional education interstate compact is, by virtue of its subject matter and/or affect, one requiring congressional consent. It cannot be denied that its subject matter is education and that education in the United States has always been regarded as a State and local matter. Congress has always recognized this fact in its various enactments extending Federal aid to education.

The report of the hearings before the subcommittee of the Committee on the Judiciary, United States Senate, relating to this particular compact, at pages 9 to 13 thereof, contains a list of interstate compacts entered into between 1789 and 1947, all of which have received congressional consent. It is significant that, although more than 100 compacts are listed, not one of them has education as its subject matter. No mention is made in the report of the numerous interstate compacts which became operative without congressional consent. Some of this latter type of compacts are listed in Thirty-fourth Yale Law Journal, 749–754, in the article above referred to. It is particularly significant to note that on page 54 of the report of the hearings on this compact Dr. John Dale Russell, Director, Division of Higher Education, United States Office of Education, Federal Security Agency, testified that at least one interstate compact relating to education is already operative without congressional consent. He refers to the contract between Virginia and West Virginia with respect to medical education.

If it is precedent we seek, Mr. President, I offer that at least as one precedent in support of the theory advanced by the Senator from Kentucky and myself that no congressional consent is needed for the approval of the compact.

In 70 United States Law Review 557 (1936), Alice Mary Dodd discusses Interstate Compacts. At page 562 she refers to compacts which were put into operation without congressional consent. Reference is there made to a compact between Vermont and New Hampshire establishing a penitentiary to serve both States. No congressional consent was obtained.

I offer that as my second precedent, Mr. President, in support of my view and the view of the Senator from Kentucky that congressional approval is not required of the compact. May I say in good humor that I do not want to draw any invidious comparisons between institutions of higher learning and penitentiaries, but I do want to point out that if it is proper for Vermont and New Hampshire to enter into a mutual arrangement between themselves for the operation of a joint penitentiary, or for Virginia and West Virginia to enter into an agreement or an arrangement between themselves as to a medical school, then those agreements are good precedents in support of my argument that it is permissible for the 15 States

involved in the proposed compact to proceed without congressional approval of the compact. I wish to make clear that I think they must proceed in the face of any litigation risks they may run as to any future claims that regional schools based upon segregation violate constitutional rights if no equal training is offered in nonsegregated schools. That is the core of my argument. I come back to it, and I shall come back to it throughout the debate, because I am convinced that as a legal proposition the proponents of the compact are asking the Senate of the United States to do something that the Senate of the United States does not need to do. I am convinced that the sanction of the Senate or the approval of the Senate to the compact is not necessary.

It is submitted that under the authorities an interstate compact for the establishment and operation of regional educational institutions is not the type of compact requiring congressional consent, and in fact is the type of compact the United States Supreme Court had in mind in the parent case, the leading case on the whole question of what is involved in a compact, or what need be involved in a compact. I read again what the Court said on page 518 of the Tennessee case:

> There are many matters upon which different States may agree that can in no respect concern the United States.

I say that just as Vermont and New Hampshire had the right to enter into an agreement as to the use of a penitentiary, just as Virginia and West Virginia had the legal right to enter into an arrangement to the use of a medical school, so the 15 States involved in the present compact have the right to enter into an agreement in respect to their educational problems without congressional approval. I am not saying, Mr. President—and let the RECORD be perfectly clear on this point—I am not saying that any agreement they may enter into will receive final approval of the Supreme Court on constitutional grounds. That is their risk. That is their problem. It ought to be determined in the good old American way of following the regular course of litigation to the United States Supreme Court.

It is to be noted, however, that in 35 Columbia Law Review 76 (1935) and 45 Yale Law Journal 324 (1935), the position is taken that all interstate compacts require congressional consent.

I cite the last two authorities, Mr. President, because I always try to present to the best of my ability both sides of an issue, and if there is authority against me I am not one to hide the authority. I offer the citations to those two last articles to the proponents of the compact, if they have not read them, because one thing I insist upon is being a fair debater. In these two articles, in 35 Columbia Law Review 76, and 45 Yale Law Journal 324, the proponents of this compact will find a point of view presented in support of the proposition that all interstate compacts require congressional consent. I think the conclusions of those articles are highly erroneous, they cannot be reconciled with the clear language of the Supreme Court itself and cannot be squared with the Tennessee case, because the Tennessee case says in crystal-clear language that not all matters have to be contained in a compact.

There is one other point I wish to mention before I close, and believe me, Mr. President, I am not mentioning it to cast reflection on anyone or to charge anyone with any improper motivation. I am mentioning it only because it is part of the facts which must be considered in connection with the debate. I want to repeat that if I were one of the attorneys advising the southern governors who brought forth the compact I would advise them that it would help my position very much in the Supreme Court of the United States in any future case if I could present the argument that the Congress of the United States had approved a compact which sets up regional schools based upon the principle of segregation. I should like to be so armed in an argument before the United States Supreme Court, and I am satisfied that the counsel which advised the governors would welcome being so armed. I am also satisfied that this particular point is one which has been thoroughly discussed by many persons interested in the approval of the compact—so thoroughly discussed that there has even been newspaper comment about it.

Mr. President, I wish to read a very clear article written by Mr. John N. Popham, and published in the New York Times. The dispatch is dated February 8 of this year. The article reads as follows:

REGIONAL COLLEGES CHARTED FOR SOUTH—NINE GOVERNORS AGREE ON PLAN TO GIVE HIGHER EDUCATION TO WHITES AND NEGROES

(By John N. Popham)

WAKULLA SPRINGS, FLA., February 8.—An unprecedented step in the educational annals of the country was taken today when the governors of nine Southern States affixed their signatures to a compact that would establish a geographical district with cooperatively owned and operated regional schools to provide higher education for whites and Negroes.

The compact was drafted at a 2-day extraordinary closed session of the southern governors' conference. Copies of the compact will be forwarded for signing to six other southern governors who are members of the conference but were unable to attend the special session.

The governors' signatures, however, represented approval with reservation, since the compact provides that it shall not take effect or be binding upon any State until it has been approved by the legislatures of at least six of the States whose governors have subscribed to it within 18 months from today.

Also, it was learned, the compact will be presented to the Congress of the United States for approval, although experts in constitutional law were reported to have informed the drafters of the compact that they did not regard such approval as necessary but did feel it was a good thing to have.

AN ANSWER TO HIGH COURT

The compact asserts that it is aimed at improving the educational facilities of all people in the South, but proposed implementation steps indicate that for many it also constitutes the South's answer to recent successive Federal court decisions affecting the controversial problems of providing equal but segregated schooling for Negroes.

The fact that 2 weeks ago the trustees of Meharry Medical College for Negroes at Nashville, Tenn., informally offered the school to the southern States as a regional institution is referred to in the compact.

The Supreme Court has ruled several times that States must provide equal educational facilities for Negroes or admit them to whatever institutions are already established.

A month ago the Court made a similar ruling affecting a Negro woman applicant for law-school training in Oklahoma. The situation has also developed in Texas.

Last October 21, at the southern Governors' conference in Asheville, N. C., Gov. Jim Nance McCord, of Tennessee, proposed the establishing of regional schools to provide professional, technical, and graduate training for white and Negro students in the South.

MEHARRY COLLEGE SOUGHT

At that time a committee under the chairmanship of Gov. Millard F. Caldwell, of Florida, was directed to study the feasibility of creating regional schools and also to negotiate for the acquisition of Meharry College as soon as possible on the ground that it was faced with the prospect of closing its doors because of financial difficulties.

The extraordinary session of the southern Governors' conference was called solely to hear the report of the educational committee and take action on a situation which the Governors have already described as acute.

Although there have been suggestions for regional schools in the South for the past 10 or 12 years, the general feeling is that the pressure of the recent Supreme Court decisions made it imperative to southern executives and legislators to seek some solution in line with the South's traditional Jim Crow policies.

From the first proposal, however, the southern Governors have maintained that the need for regional schools affects both whites and Negroes, thus involving the welfare of the region, and that also the Southern States are unable financially to provide many forms of higher educational facilities within their borders.

It was learned that the Governors hope to bring about the establishment of five regional institutions, possibly with a medical and dental school for white students in the South, similar to the proposed use of Meharry College for Negroes in the medical and nursing fields.

INTERIM GROUP SET UP

An interim committee to be known as the regional council, consisting of the Governor and two designees from each State signing the compact, will survey the higher educational problems in the southern States and will hold its first meeting on March 4 at Gainesville, Fla.

Under the terms of the compact the States will enter into a broad educational area with a pooling of funds on a scale without precedent in this country. No one ventured to predict the cost of the regional schools to the participating States. When the legislatures of six States have approved the compact, it will become binding on the six States within 60 days. Other States can join upon conditions to be agreed upon at the time they apply.

Then the member States will set up a board of control for southern regional education, similar in membership to the interim committee at this time, which will be the key organization in the regional compact.

The control board will submit plans and recommendations to the State legislatures from time to time, will be vested with title to the educational institutions, and will direct operation and maintenance of the schools.

The governors who signed the compact were William P. Lane, of Maryland; J. Strom Thurmond, of South Carolina; Ben T. Laney, of Arkansas; Beauford H. Jester, of Texas; James E. Folsom, of Alabama; Fielding L. Wright, of Mississippi; Melvin E. Thompson,

of Georgia; Jim N. McCord, of Tennessee; and Millard F. Caldwell, of Florida.

The legislatures of four Southern States are now in session, but it was considered doubtful that the compact would be presented to any of them at this time.

I have taken the time of the Senate to read that newspaper article—and I shall read another from the Christian Science Monitor—because they are typical of articles which appeared in the American press at the time of the conference of Southern governors which brought forth this compact. Such articles shed light upon the question of the mixed motives which I think are behind this compact.

Speaking for myself, interpreting the hearings, interpreting the newspaper stories, and interpreting what I have heard from many proponents of the compact, I am satisfied that one of the reasons why its proponents want congressional sanction of the compact is that they think that congressional sanction may be helpful to them in future litigation in cases involving allegations by particular litigants of violation of civil rights. I do not believe that the Congress should be a party to approving any compact on that basis, unless our approval of the compact is necessary as a matter of law. If it is necessary as a matter of law, then I think it is our duty to lay down some conditions which will protect the civil rights of the people from what I consider to be a violation of those rights through segregation.

In support of views similarly expressed in the New York Times article, there is one in the Christian Science Monitor under date of February 7, 1948. It reads as follows:

REGIONAL SET-UP FOR TEACHING PLEASES SOUTH

COLUMBIA, S. C.—The plan of a southern governors' conference committee to set up a regional system of graduate education has found general support in the South, but usually with some qualification. The reaction generally is that it is a good plan if it is workable.

The question hinges on whether the plan is accepted as a scheme to solve the dilemma caused by the segregation laws and the edicts of the Supreme Court, or whether it is viewed as an attempt to put all graduate education for both races, on a regional basis.

Gov. Millard E. Caldwell, of Florida, chairman of the education committee, has emphasized repeatedly the regional plan antedates recent decisions of the Supreme Court ordering Southern States to provide Negro and white students with equal educational opportunities.

The plan, it is true, has been discussed at length at every annual session of the governors' conference in recent years. But only within the last few months has any headway been made and obviously it will take months and years to get a regional system launched on a comprehensive scale.

OPPORTUNITY SEEN

"If the Southern States work together they can establish and maintain the very best in educational opportunities in all fields for all citizens, regardless of race," says Governor Caldwell, pointing out that in recent years discussion of the graduate education problem at the meetings of the governors' conference embraced regional schools for both whites and Negroes.

However, to put all graduate education on a regional cooperative basis is admittedly a large order. The governors' conference will meet in emergency session in Tallahassee, Fla., on February 7 and 8 to consider the committee plan, and there is little doubt that it will be wholeheartedly approved.

It generally is agreed to that congressional action would have to be obtained that would authorize States to contract among each other for educational services. The State legislatures would also have to be asked to approve such a plan and provide the funds necessary to start a far-reaching program.

URGENCY NOTED

Most of the southern legislatures do not meet until next year, although a few are meeting now. However, many believe the issue is so urgent that special sessions could be called, if that becomes necessary. All statements coming from members of the conference committee have pointed to the urgency of the matter.

The details of the committee's recommendations to the full meeting of the governor's conference are now being drafted. It is expected the committee will suggest setting up a board of control to consist of three members from each State, including the governor. The committee is also expected to propose that costs be borne on a population basis.

The Atlanta Journal point out that a broad system of regional schools such as is proposed by the committee would help southern States "not only to solve the problem of higher and specialized education for Negro students, but give white students advantages in fields of special training which the individual States cannot afford."

RICH POTENTIALITIES

"A plan so rich in potentialities for the progress and prosperity of the South should be pressed forward wholeheartedly," the Journal concludes.

However, others who view the program in the sole light of an attempt to sidestep the recent Supreme Court decisions suggest that the South should proceed cautiously. The Columbia (S. C.) Record says that the plan was a good idea 10 years ago, before the Gaines case, brought up from Missouri, but that 10 years ago it was impossible to interest the South in such a plan.

"Adopted then," the Record says, "the plan would have put graduate education for Negroes in the South on a plane that otherwise will not be reached for years, if at all."

Now, the newspaper points out, something of a new issue would be presented to the Supreme Court if regional schools are set up and the plan is contested.

The educational committee of the Governors' Conference will undoubtedly recommend the acceptance of Meharry College in Nashville, Tenn., for joint operation by the 15 Southern States as a school for the higher education of Negroes in medicine, dentistry, and nursing. Meharry College has been offered the States as an outright gift for the first unit in the proposed program. The only condition to the gift is that the privately operated $8,000,000 institution be continued at its present high standard.

Mr. President, I repeat that I have cited those two newspaper articles because they are typical and representative of newspaper comment in the early part of February, when this question was first raised. They bear out the contention that there are mixed motives behind this compact. I do not say they are improper motives, for I have the highest respect for the sincerity and the honest judgment of the proponents of this compact. I know them to be sincere in their views as to what would be good policy insofar as the operation of regional schools is concerned.

Mr. President, in concluding my remarks today, I wish to say that I have no intention at any time during this historic debate of imputing to anyone either on the other side of the aisle or on this side of the aisle, who is in support of the idea of securing congressional sanction for this compact, anything but the best of motives. I do not ask anyone to extend to me the same courtesy, because I am always willing to let my record of trying to be absolutely fair in stating the facts in regard to any issue speak for itself. What personal attitudes are or may be toward me never make one bit of difference to me. I shall always come, back, Mr. President, to the question, what are the facts about a given issue involved in debate. In this instance, I shall always come back to the question, What is the law? That is what the Senate of the United States had better determine before it takes a vote on this compact. If it really makes an intensive study of that question, I think it will come to the conclusion that the law is that congressional approval of this compact is not necessary. I think it will also come to the conclusion that, as a matter of law, if it proceeds on the assumption that congressional approval is necessary, then it is faced with the problem of laying down specific conditions, from the standpoint of national policy as to civil rights which shall be applied in these regional schools.

Mr. President, I did not ask for this debate. I did not propose this compact. It was not my idea that at this session of Congress we should enter into a debate on civil rights, over this issue of segregation in higher education. But I cannot be a defender of civil rights, I cannot take the position that I have taken all over this country over the years in support of civil rights, Mr. President, and then, when confronted in the Senate of the United States with a proposal which, in my judgment, raises questions of civil rights, not make a fight to protect civil rights. There are those on this side of the aisle who have said to me privately that they do not think we ought to make the fight for civil rights in connection with this compact. I completely disagree with that point of view, because I take the position that as representatives of the Republican Party we must make the fight for civil rights whenever it is raised on the floor of the Senate of the United States. It has been raised by the proponents of this compact, as I see the issues which are involved in it.

At the proper time I shall make my motion to refer, for the reasons which I have set forth in the three speeches I have made on this compact. I think it is very important that we endeavor to secure from the United States Department of Justice its legal views on the legal prerequisites of a compact, insofar as congressional sanction is concerned. I think the Committee on the Judiciary should go much more thoroughly into the question of the necessity for congressional sanction of this compact than I submit anything in the printed hearings shows the committee in fact went.

Mr. President, I close by saying that so far as I personally am concerned, I have no personal issue with any Senators on the other side of the aisle. I have only an honest and sincere difference of

opinion as to the legal soundness of the position taken by the proponents of this compact. I shall regret it very much if the time ever comes in the Senate of the United States when honest men, following their sincere convictions, cannot debate great issues such as this one without having personal reflection cast upon them. I shall be no party at any time to that style of debate in the Senate of the United States.

Mr. President, I now wish to propound a parliamentary inquiry, and then I shall take my seat. My inquiry is this: If I should at this time move to refer the compact to the Judiciary Committee, would that in any way hamper proponents of the compact in carrying on a full debate on the merits of the compact as they see those merits? If it would, I certainly would not think of making the motion at this time, because I want them to make their full record on their views in support of the compact.

The PRESIDING OFFICER (Mr. COOPER in the chair). The Chair rules that a motion to refer is debatable, and that the motion would not restrain debate by any Senator caring to engage in it.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. WHERRY. Is a motion to refer in order at this time?

The PRESIDING OFFICER. The Chair rules that a motion to refer is in order, taking precedence over all pending motions.

Mr. MORSE. Mr. President, in view of the fact that debate can proceed under my motion, on the merits of the compact, for as long as any of the proponents want to debate it, or the opponents, either, and would not in any way affect the right of any Senator to full debate, it seems to me that now is the appropriate time for me to move to refer this compact to the Judiciary Committee, for the reasons I have set out in the speeches previously delivered on the floor of the Senate upon this subject. I now so move.

The PRESIDING OFFICER. The question is on agreeing to the motion of the junior Senator from Oregon to refer the joint resolution, House Joint Resolution 334, to the Judiciary Committee.

Mr. LANGER. Mr. President, as a member of the Judiciary Committee who voted against reporting the pending joint resolution, I associate myself with the junior Senator from Michigan [Mr. FERGUSON]. This matter was discussed in the Judiciary Committee. We went into it to some extent, but, in my opinion, it was not fully explored. I shall therefore support the motion to refer to the Judiciary Committee.

Mr. President, I wish to bring certain facts to the attention of the Members of this body. First of all, I want to quote from the Charter of the United Nations. How well I remember, Mr. President, when the question of ratification of the United Nations Charter was upon this floor, how Senator after Senator, on both sides of the aisle—Senators from the East, from the West, from the North, and from the South—finally declared, "At long last we are going to have peace in the world." Why, there was not one word wrong with the United Nations Charter. The former Senator from Minnesota, Mr. Shipstead, and myself were the only two Senators who opposed it and who ventured to speak against it. The floor was even more completely deserted than at the present time. In my opinion, there never was a better propaganda machine in the history of the United States than the one that put over the United Nations Charter, the provisions of which make it impossible to amend the Charter. When we protested the fact that it could not be amended—that it contained a veto power—the Senators on this floor, those who were here, paid very little attention to it. But, Mr. President, I now call the attention of the southern Senators—those who voted for the United Nations Charter—to chapter 1, paragraph 3. I assume they at least read the first page of the United Nations Charter for which they voted. I shall read it. This, Mr. President, is what every Senator, except the former Senator from Minnesota, Mr. Shipstead, and I, voted on July 28, 1945. I may say to any reader of the CONGRESSIONAL RECORD that he can ascertain whether a particular Senator was in the Senate or not by remembering the date, July 28, 1945, when every Senator who was present, except two of us, voted "yea" on ratification. As set forth in paragraph 3, chapter 1, this is what the distinguished Senators voted for:

> To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all—

For all, Mr. President, whether residing in North Dakota, in Alabama, in Florida, in Maine, in Mexico, or in Argentina—for all, everywhere—

> fundamental freedoms for all without distinction as to race, sex, language, or religion; and
>
> To be a center for harmonizing the actions of nations in the attainment of these common ends.

I have here, Mr. President, the names of the delegates at San Francisco who signed in behalf of the United States. I need not mention them, because Senators are all familiar with them, and Senators know that the list contains the names of both Democrats and Republicans.

Mr. President, we were going to have a new era. We had fought a long, costly and bloody war. We had heard the Democratic President, Franklin Delano Roosevelt, and Winston Churchill, who told us about the new Atlantic Charter and the "four freedoms." There was going to be one world; everybody would love everybody else, regardless of race, color, language, or religion. It would be one great happy family all over the world. That is what my friends voted for, upon the floor of the Senate.

I expected, after the Charter was adopted, to see people of all races walking arm in arm on the streets of Washington. We were all going to be sisters and brothers. We heard upon the floor of the Senate that we would make friends with the Chinese, the Koreans, and the Liberians, because, Mr. President, the Charter was signed by representatives of those nations. The representative of Liberia sat down with the Senator from Michigan [Mr. VANDENBERG] and the Senator from Texas [Mr. CONNALLY]. The Charter was signed by representatives from Haiti and other nations. Not a single Senator objected to this great new brotherhood and sisterhood which was to be established all over the world.

Were colleges promptly opened to the different races and nationalities in the United States? I shall demonstrate in a few minutes, Mr. President, that they were not.

When the pending compact came before our committee, in due course of time the report which I have in my hand was prepared. I am not criticizing anyone. I want to read four sentences and let the Senate decide whether they represent a true and honest statement. They appear on page 4 of the report, and are as follows:

> The conference of southern governors has been working toward the completion of this compact since 1935. The signatory States have now, for the first time, become financially able to establish and support such schools.

I repeat the last sentence:

> The signatory States have now, for the first time, become financially able to establish and support such schools.

What are the signatory States which, for the first time, have become financially able, since 1935, to establish and support such schools? They are the States of Florida, Maryland, Georgia, Louisiana, Alabama, Mississippi, Kentucky, Tennessee, Virginia, Arkansas, North Carolina, South Carolina, Texas, Oklahoma, and West Virginia. Those are the signatory States which this report says were so poor, so desperately hard up, so devoid of money, that now for the first time since 1935 they have become financially able to establish and support schools.

Mr. President, let us find out how honest that statement is. I quote from the speech of the distinguished senior Senator from Virginia [Mr. BYRD], which he delivered on April 1, 1948, and which appears on page 3933 of the CONGRESSIONAL RECORD. At that time we were considering Federal educational aid to States. What was said at that time by the distinguished Senator from Virginia, who is one of my very best friends and for whom I have the deepest affection? He was speaking of the amount of money that the States had. He said on that day:

> Mr. President, I wish to discuss the ability of the States to operate their own school systems, because, after all, the proponents of this legislation get down to the fact that the States are not able to operate their school systems.

That is exactly what was said in the four lines of the report which I read. They were financially unable to establish and support such schools. That is what

the distinguished Senator from Virginia said. Then he continued as follows:

Let me read the balances in the treasuries of the various States, exclusive of highway and veterans' funds.

He said the States were in splendid shape to take care of all their schools.

In the fiscal year 1946—

Said the Senator from Virginia—

the great State of Alabama had $23,900,000 in its Treasury.

That is exclusive of highway and veterans' funds. He said that Alabama had $23,900,000. This report says that Alabama for the first time became financially able to establish and support such a school.

The Senator from Virginia said that Florida had $17,000,000 in its treasury; Georgia had $15,000,000. Together they had $32,000,000, which, added to Alabama's approximately $23,000,000 makes over $55,000,000 in the treasuries of those three States which were so desperately poor that for the first time since 1935 they had in their treasuries that amount.

Kentucky had $17,000,000; Louisiana, $20,000,000; Mississippi, $15,000,000; Missouri, $40,000,000; North Carolina, $48,000,000; Oklahoma, $10,000,000; Tennessee, $14,000,000; Texas, $13,000,000; Virginia, $53,000,000; West Virginia, $21,000,000.

That is the record, Mr. President, as stated by the senior Senator from Virginia. Virginia was one of the signatory States to the compact which our friends are endeavoring to get through this body. They had more than $100,000,000, but they were too poor, according to the report, to establish, maintain, and support a school such as Meharry, too poor to have such schools in their own States.

I quote further from the distinguished Senator from Virginia, at page 3934:

I say that if we assume that education is a responsibility of the Federal Government, then when the States need additional money they will write to you and to me and to other Senators to try to get the money from the Federal Treasury—

And mark this, Mr. President—

instead of trying to get it from local taxes, where it should come from.

I repeat the statement of the Senator from Virginia, "instead of trying to get it from local taxes, where it should come from."

What does that mean? One of the Southern States advertises that it has a magnificent climate and such wonderful hotels that when one pays $30 a night for staying in one of them he is getting a bargain. Booklets are issued containing pictures of beautiful palm trees, and we are told about the fine roads they have and the splendid fishing facilities and opportunities. The State advertises the fact that it has no State income tax, and it puts in the ads, "Come and become a citizen of our State and get away from the State income tax you are paying in North Dakota."

So, up in Wisconsin and in North Dakota, the two States which have perhaps the highest State income tax rate today, some of our citizens whose incomes had gotten in the higher brackets left and moved down to this Southern State, because they did not have to pay any income tax there.

Yet, Mr. President, this report says that in 1935, at a time when they were advertising in North Dakota, "Come down to our State and avoid the income tax," in 1936, and clear through 1946, the State was so poor that it could not maintain and support a school like the one we are referring to. But the Senator from Virginia said that instead of trying to get this money from the Federal Government they should get it from local taxes, whence it should come.

Not only that, Mr. President, but there are certain industries which can settle in almost any State they choose. The particular State to which I have referred also wants the headquarters of the corporations located there, so they advertise and say, "Establish your business down here in this great big beautiful State. Do not go to North Dakota, do not go to Wisconsin, do not go to the other States where you have to pay a high income tax. Come to this State." So they have gotten the people from the other States to go down South to that State, to leave the States where some of the officers of these corporations were born, and locate their headquarters and main offices down there, so as to get away from the income tax. All they would have had to do was to levy an income tax in order to get as much money as any other State in the Union, where the States did establish and maintain the schools.

Mr. President, I was interested particularly in the speech of the distinguished Senator from Wisconsin [Mr. WILEY], the chairman of the Committee on the Judiciary, because, as I have said, being a member of that committee, I sat in and listened to the words he spoke in behalf of the joint resolution now pending. I was particularly impressed when he said yesterday that 1,200,000 boys were unable to get into the Army or the Navy or the Air Corps during the last war because they did not have sufficient education. I investigated that statement, and found it to be substantially true. The number was slightly larger than the figures I was able to obtain, but hundreds of thousands of young men and women were unable to get into the armed forces.

So I procured a small pamphlet edited by W. Montague Cobb, M. D., Ph. D., entitled "Medical Care for and the Plight of the Negro." One heading in the book is "Professional Personnel." I read under that heading:

Negro professional personnel today comprises about 4,000 physicians, 1,600 dentists, 9,000 nurses, and 1,400 pharmacists, a grossly inadequate number by any standard. It is accepted as a minimal standard of safety that there should be 1 physician to 1,500 of population. The national average is about 1 to 750.

That is the national average, 1 to 750 people.

In 1942 the proportion of Negro physicians to Negro population was 1 to 3,377.

Not 1 to 750, the national average, but 1 to 3,377.

The range by States was from 1 to 1,002 in Missouri to 1 to 18,527 in Mississippi.

I wish to repeat that to every 18,527 Negroes in the State of Mississippi there was in 1942 1 Negro physician.

It is not our premise that the number of Negro physicians in the United States should be determined by the number of Negroes, but if physician-population ratio is considered on a racial basis, there should be 9,334 colored physicians today, assuming the Negro population to be 14,000,000. This is more than twice the existing number. Consequently, a large portion of the Negro population receives such medical care as it obtains from white physicians who, in many cases, find the service an inconvenience. The following statement of a prominent white physician in the Washington Star of July 1, 1947, is highly significant in this connection: "In the past we have profitably used the Negro as our guinea pig in clinical medicine. Let us have the good sense to do it in medical economics."

Mr. President, I say that the development of greater opportunities for higher education for all people is a fine objective.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. WHERRY. I wish to suggest to the distinguished Senator from North Dakota that the pending question before the Senate is a motion to refer the joint resolution. I understood the distinguished Senator to say that he is in favor of the motion. It seems to me that for the RECORD it should be shown just what the effect of referral would be. We have before us a measure which came from the House where it was adopted by a vote of 6 to 1. A great majority of the Members of the House voted in favor of giving Federal approval to a compact which would aid an important Negro school. It seems to me that for the RECORD an attempt should be made to harmonize the proposed action of recommitting the measure with the position taken by the majority of the Members of the House. I hope that before the Senator from North Dakota has concluded his remarks he will endeavor to harmonize the proposed action, because there might be those who would feel that the end result of a motion to refer might be to kill the measure, and the question would arise: By referring the measure, would we be helping or would we be hindering the education which is sought to be provided for the Negroes in that great southern school?

I believe I understand the position of the Senator from North Dakota very well, but I think there ought to be a clear, concise statement made as to just what the effect of referring the measure would be. It is my opinion that such a statement should be made for the RECORD, and especially for the benefit of Senators who may desire to vote to refer. Since the joint resolution came to the Senate after having been passed by the House by an overwhelming vote, the implication at least is that the measure is in furtherance and aid of an educational institution which is providing education for Negro students. It seems to me that the position of both those who believe in segregation and those who believe in nonsegregation should be harmonized with the position taken in voting to send the bill back to the Com-

mittee on the Judiciary for further consideration.

Mr. LANGER. Mr. President, the best way to harmonize our votes with our beliefs is to send the measure back to the committee and have hearings upon it, and permit those who desire to be heard to appear before the committee. So far as I am concerned, however, in its present position I want to kill it just as dead as I can kill it. I will make plain my reasons as I go along. We cannot make it too dead to suit me.

Mr. WHERRY. I am offering what I believed to be a constructive suggestion to the Senator from North Dakota. The debate heretofore has been based on constitutional questions such as have been raised by the distinguished Senator from Kentucky [Mr. COOPER] and the distinguished Senator from Oregon [Mr. MORSE]. Now we have before us a motion to refer which, in reality, I agree with the Senator from North Dakota, would result in killing the joint resolution. I agree with the Senator that we should do as much as we possibly can to provide education for the Negro.

Mr. LANGER. Mr. President, I wish to make it very plain that so far as I am personally concerned I have nothing but the very friendliest feelings for my colleagues who favor the joint resolution. I want to make it plain that in my whole State I believe there are less than 50 Negro voters.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. HOLLAND. In the interest of accuracy I wish to say that the Federal census for 1940 shows that there were 201 Negro citizens in the State of North Dakota.

Mr. LANGER. There were 201 Negro citizens in the State, but there is an average of 4 members in each family, so there would be about 50 voters in all. At most there would be 50 Negro voters in my State. Sometimes a Negro family is larger than four members; sometimes a Negro family is smaller than four members. Sometimes such a family is composed of six or seven members. But if there are 201 Negro citizens in my State about 50 of them would be voters. I suppose the distinguished Senator from Florida might say that 50 votes are 50 votes, but I will say that altogether in our State there are roughly from 225,000 to 230,000 voters, so the total number of Negro voters would be very insignificant.

Mr. HOLLAND. Mr. President, I was simply trying to have the exact figures in the RECORD. I thought that is what the Senator from North Dakota would want. I merely desired to be helpful.

Mr. LANGER. I am deeply grateful to the Senator from Florida.

Mr. President, in my State, so far as I know, I have never seen any inclination to segregate the Negroes from the whites. There is no inclination to separate one nationality from another. The people of the State of North Dakota are of pioneer stock, a group which is proud of being citizens of North Dakota, proud of being citizens of the United States of America.

Mr. President, I say that whenever our brethren in the South are ready to abandon the present system under which they spend approximately $81,000,000 a year for the education of white children and only $4,000,000 towards the education of colored children, it is possible that they can develop better educational facilities. They have shown no disposition to do this, and now they come to the Congress and ask that we give the approval of the United States Government to a scheme which will circumvent recent decisions of the Supreme Court.

I am very anxious to make it clear to my colleagues on the other side of the aisle that I favor legislation to provide educational facilities for the Negro. During the short time I have been in the Senate I have introduced bills for the relief of East Indian people, and we have finally made it possible to have 3,000 of them become citizens. I will say that I was assisted by Clare Boothe Luce and by Representative CELLER in the House. I have introduced legislation to help the Estonians, I have introduced legislation for the help of the Jewish people, I have introduced legislation for the help of the German people, I have introduced legislation to aid practically every nationality under the sun. The people of my State believe that there should be no discrimination of any kind or character because of race, color, creed, sex, or language. So I wish to make plain to my friends and to all those who favor the pending measure that what I am saying today is simply carrying out what has been my policy ever since I entered this body.

The compact which was drawn up between the governors of the Southern States declares, in the first paragraph, that it is for the purpose of—

> Looking toward the establishment and maintenance of jointly owned and operated regional educational institutions in the Southern States * * * so as to provide greater educational advantages and facilities for the citizens of the several States who reside within such region.

During the hearings on this proposal Gov. Millard F. Caldwell, of the State of Florida, stated that this question had been in the mill for years, and that he was not much concerned about institutions for Negroes, but that this was an attempt to get better education for white citizens. However, the second paragraph of the compact reads as follows:

> Whereas, Meharry Medical College, of Nashville, Tenn., has proposed that its lands, buildings, equipment, and the net income from its endowment be turned over to the Southern States, or to an agency acting in their behalf, to be operated as a regional institution for medical, dental, and nursing education upon terms and conditions to be hereafter agreed upon between the Southern States and Meharry Medical College, which proposal, because of the present financial condition of the institution, has been approved by the said States who are parties hereto.

Mr. President, the Meharry Medical College referred to in that statement is a school for the training and education of colored doctors and nurses. It is a very peculiar thing that this great plan, which was supposed to provide better educational facilities for all people in the State, mentions as the first institution which will be supported under a regional plan one for the colored people.

If my distinguished colleagues wished to give effect to paragraph 3 of the United Nations Charter, if they wished to carry out the terms of the great document to achieve international cooperation and preserve fundamental freedoms for all without distinction because of race, sex, language, or religion, why did they not pick out the University of Virginia instead of Meharry College? Only 2 years ago a little girl was barred from that university because of a certain article which she wrote in the student newspaper, an article which stated that there should be no discrimination. Why did they not pick out the University of Texas? Why did they not pick out Miami University in Florida, or the University of North Carolina? Why did they not pick out one of the fine, solid institutions which was not broke, instead of picking out little Meharry College, which is said to be insolvent and in need of help?

It is a very peculiar thing that this great plan, which was supposed to provide better educational facilities for all the people in the South, mentions as the first institution which will be supported by a regional plan, one for colored people. Because of inequalities which the colored people have suffered in education in the South, they have resorted to court action to gain admission to State schools of law, medicine, and other professions in the South. The Supreme Court has held, in cases arising in Oklahoma and Missouri, that if the colored people are to have equal educational opportunities they must be provided within the borders of the State within which they reside, if similar educational opportunities are offered for white people.

This fight on the part of our colored citizens goes back to 1934, when they won a decision in the Maryland Court of Appeals permitting them to attend the law school at the University of Maryland. Think of it, Mr. President! There was a young man who happened to be one-eighth Negro. Before he could get into the University of Maryland he had to go to the supreme court of Maryland to get the order. Today there are a score of colored students going to the University of Maryland Law School, and two of them have done such outstanding work that they are on the editorial board of the University Law Review.

Mr. President, when I went to college at Columbia University colored boys were allowed to attend. Some of them were in my class. They were good students. I did not see any evidence of discrimination against them in the city of New York. There were students from Turkey. I think there were students from every country in the world among the 30,000 students who at that time were attending that institution.

I have talked with some of the colored citizens of Maryland who are greatly disturbed because they believe that this regional compact is a poorly disguised attempt on the part of their State to prevent them from going to the medical, dental, and pharmaceutical schools which are established in Maryland. In

my opinion, it is ridiculous to assume that Maryland would abandon this type of education for white people, now that it is well established; but it is not unreasonable to expect that the State will try to shunt its Negro students who seek this type of training down to Tennessee or some other State if this regional compact has the approval of Congress. The colored people have spent thousands of dollars fighting for an opportunity to attend schools which are supported partly from the taxes which they pay. We must not present a new obstacle to their progress by placing the stamp of approval of the United States Government on a compact to extend segregation.

During the fall term at the University of Maryland a colored student sought admission to the university's graduate school of chemistry. He was a veteran. He was a resident of the State. Although he had been sent a card showing that he had been admitted, he was later turned down by the university authorities when it was discovered that he was colored. President H. C. Byrd, of the University of Maryland, was quoted in the Washington Post as saying that Maryland would maintain its system of separation of the races in education. I cite this example to show that even when the State courts—mind you, not the Federal courts, but the State courts—of the State where the university is located give relief to Negroes who are seeking opportunities to benefit from the training offered, some of the officials still seek ways and means of carrying out their plans for segregation.

Senators have frequently taken the floor to say that there must be no Federal interference with the affairs of the States. The same persons who have ardently defended States' rights are seeking to make the Federal Government a party to a policy which flies in the face of all the fine things we have been saying about the equality of man and justice for all, as provided under the Constitution.

Mr. President, I have heard some of my colleagues, on Constitution Day, rise in their places and tell about the Constitution being the finest instrument ever devised by man, ever devised by human hands. Yet now they ask Congress to give its approval to a plan which runs counter to the decisions of the Supreme Court, as those decisions affect the higher education of Negroes.

During the hearings on this proposal it has been said that there are some Negroes who favor this plan. Mr. President, it is always possible to get persons in an affected group to favor almost anything. In the last war there were American citizens who favored Germany. In the Revolutionary War there were Americans who were Tories. Every army has its share of deserters. Even Christ had Judas to contend with. So it is always possible to get persons in an affected group to favor almost anything. However, we cannot decide these questions on the basis of whether some shortsighted persons favor them. We must decide them on the high moral ground of what is right and what is wrong. Nowhere in the Constitution of the United States is it said that a red man or a black man is to be treated differently than a white man. All of us know that the system of segregation in the educational facilities of the 17 States and the District of Columbia where these policies prevail has resulted in an average expense per white pupil in the elementary and secondary schools much greater than the average expense per Negro pupil. In nine Southern States reporting to the United States Office of Education from 1939 to 1940, the average expense per white pupil was almost 212 percent greater than the average expense for each Negro pupil. Only $18.82 was spent per Negro pupil, while the average per white pupil was $58.69. Those same States gave white pupils an average of 171 days of schooling per school term, while the Negroes received an average of 156 days per school term. The average salary for a white teacher in the schools of those States was $1,046, while the average Negro teacher's salary was only $601. In the professional schools, the combined assets value of the plant facilities of the 13 white State-supported schools above the high-school level in the State of Texas was in excess of $72,000,000, while that of the only Negro school of higher learning was slightly more than $4,000,000. On a per capita basis, $12.88 was invested in plant assets for every white person, while only $4.71 was provided for every colored person.

We have often heard gentlemen from some of the Southern States talk about the importance of settling the problems of race relations through education. They may mean what they say. But, Mr. President, how in God's name can we have any settlement when such unequal conditions exist? When $4.71 worth of education is provided for a colored child and $12.88 worth of education is provided for a white child, the result frequently is that the colored people do not get even $4.71 worth of benefits from that system.

If we now give our approval to regional schools, we shall be saying to the States which have this discrimination that we endorse what they are doing; that we, the Senate, as the representatives of the people of the United States, endorse a system under which, because of segregation, it will be impossible for anyone, whether he be colored or white, to get the most desirable type of education. We shall be saying that the United States Government, which today is furnishing the greatest leadership the world has ever known in saving the human race from destroying itself, gives approval to a Nazi-like form of education which will provide that the supermen who are white will be educated at one place and that all other persons will have to take an inferior type of education at another place.

In the cases which recently have been brought against the Southern States by the colored people who are seeking justice in the educational field it has been shown that the white pupils who attend the University of Texas and the University of Oklahoma have voted by an overwhelming majority that they wish to have colored students admitted; that they wish to associate with them; that they wish to have them there. If those young people are left to themselves, they may develop the kind of human brotherhood which not only will be the salvation of the South but will set an example for everyone throughout the world as to how persons of different origins, different religious beliefs, and different racial extractions may live together in peace and with mutual respect. This regional compact—devised by men who, because of their age, will not have to live as long in a world which faces the atom bomb and a number of other means of destroying itself—will dam up and halt the flow of opinion among the young people in the direction of common justice.

In this month's Reader's Digest there is an article about Sarah Lawrence College, in Bronxville, N. Y. I recommend a reading of the article to every Member of this body. According to the article, that college in New York is attended by some of the wealthiest girls in the United States, and it also is attended by daughters of farmers, who may not be so wealthy. It was attended by one of my daughters, who graduated there; and it is now being attended by another of my daughters. That college makes no distinction as to race, color, or creed. At that college a white girl and a colored girl may room together, and a Jewish girl and a colored girl may room together. That college makes absolutely no distinction of any kind or character, according to the article in the Reader's Digest, which states that it is the finest girls school in the entire United States of America; a school which has made an outstanding record; a school so fine that even though it is a girls school, this year 67 male GI's were sent there by our Government; a school, Mr. President, where a white girl and a colored girl go downtown shopping together; a school where all the girls go to the same party together, if they care to go. That is the school which the Reader's Digest says is the finest girls school in the entire United States.

Mr. President, I have no sympathy for, and I do not wish to be associated with, on any bill in the Senate, anyone who says there is a distinction between men and women whom Almighty God made, simply because some happen to be yellow or red or black or white. The men who drafted the Constitution of the United States made no distinction of that sort. Our country, in the era that has gone by, certainly has had enough trouble over the problem. I say, Mr. President, as one Senator upon this floor, so far as any threats against the President of the United States may be concerned, to the effect that he is to be defeated because he dares espouse civil rights, that in my humble opinion those who are taking that attitude are not helping the Constitution of the United States about which they like to brag so much.

The Supreme Court on Monday struck a mighty blow at foreign propaganda against this country when it declared that restrictive covenants based on race cannot be enforced by the courts. The Chief Justice declared that such enforcement was against the policy of the United States. But, Mr. President, I submit that that is exactly what was

declared by the Senate in adopting the United Nations Charter. I repeat, the Senate, by an almost unanimous vote, declared, by paragraph 3 of article 1, chapter 1, that the policy of the United States Government is—

To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion.

That was approved by this body; and, although I did not vote for ratification of the United Nations Charter, I said, after its adoption, I intended to do all I could to help carry it out. That is what I am doing today, Mr. President, in calling it to the attention of Senators who said everybody should be upon a plane of social and cultural equality, without discrimination as to race, sex, language, or religion.

I am here to help carry out the promise that was made to the people of the United States when the Charter was adopted. I want to help. I want to call it to the attention of Senators, because sometimes, under the stress of great emotion, men want to help, but later they cool off, and their attention must be called again to the fine intentions they had in saying, "Now, come on, boys, let us carry this out."

The decision of the Supreme Court of a week ago Monday will be of untold benefit to our relations with other countries throught the world. But what a joke it will become if we in the Congress follow the decision by placing our stamp of approval on a system of education which, because it will be designed to comply with the constitutions and laws of the participating States, will be a segregated and discriminatory system of education. It will say, if the pending measure is adopted, that the United States speaks with three voices: First, the voice of its Chief Executive, who has said the country believes in civil rights. A civil-rights report was issued. Second, the voice of its courts, who have said it is against public policy to separate citizens into ghettos and racially restricted areas. Then, just as millions of people are gaining new hope from these mighty pronouncements, a third voice speaks. It is the legislative voice, upholding a system of racial restrictions in the one field where intelligence shows that there is no justification for it, namely, the field of education.

We cannot break faith with our children, nor with the founders of this country. We must not destroy the heritage of Jefferson and Lincoln. I, therefore, say that I shall vote against this measure and I call upon members of the Republican Party to rally against it. This is our chance to show that we believe in the many things we have been saying to the colored voters. We have told them that they should have an antilynch law, that they should have an equal opportunity for employment, and that they should have the right to vote, without fear of violence and without unfair taxation.

Because the Republican Party is the party of Abraham Lincoln, we have made these statements in line with our heritage and tradition. We cannot now take a Janus-like position, looking with one face to the promised land of freedom and equality while with the other we smile upon and give approval to a system which will result in gross inequalities and a streamlined plan of segregation.

Mr. President, I say to the members of the Democratic Party, and certainly I say it as one who has had an utterly nonpartisan attitude upon this floor, that President Truman has honored you and the Nation by going on record in support of civil rights for all our people. What kind of President would you have? One who would raise his right hand and swear upon the Bible that he would carry out the Constitution and laws of the United States and then turn his back upon an oath he had taken? Would you have a President who would disgrace the Democratic Party, rather than one who would honor it, and who has honored it? Surely, the Democratic Party cannot now repudiate his program by voting in favor of this proposal. I have mentioned both major parties because there are many people who say that any stand on the civil-rights issue is political.

I believe that it is time we recognize that these pronouncements do not spring from political motivations, but show rather a deep yearning in the hearts of all our people for freedom for everyone. Such pronouncements find their way into political platforms and the resolutions of churches and other organizations, because this is the way we want America to be. This is the way our forefathers intended it to be.

There is a minority of people who, because of the high positions they enjoy, and because the system of segregation and discrimination serves selfish purposes, stand in the way of a realization of these things, toward which the great majority of our people aspire. They are constantly attempting to whittle away the gains we make in the direction of brotherhood and understanding. We have not been successful in stopping them on their own ground, but we must stop them in the Congress of the United States. I say therefore, let us recognize this attempt for what it is, and vote to defeat it.

Before concluding, Mr. President, I ask unanimous consent that as a part of my remarks, and at the end thereof, there may be printed, from a pamphlet entitled "Medical Care and the Plight of the Negro," by W. Montague Cobb, M. D., Ph. D., published by the National Association for the Advancement of Colored People, the following chapters and tables: Chapter 3, professional personnel; chapter 4, Negro medical ghetto; chapter 5, sources of physicians; chapter 6, inadequate supply of physicians; chapter 7, Howard, Meharry, and separate professional education; chapter 8, reinforcing shackles; chapter 10, no third Negro medical school; chapter 11, State board records, together with the statistics; chapter 12, internships; chapter 13, residencies and assistant residencies; chapter 14, specialists, together with tables 6, 7, and 8, and chapter 15, the latter being entitled "Colleges."

I may say, finally, Mr. President, that I subscribe in toto to everything which has been said by my distinguished colleague from Oregon [Mr. MORSE]. I think he has given a remarkable analysis of the bill. I agree with him, as I do with the distinguished Senator from Kentucky [Mr. COOPER], that the bill is unconstitutional. I agree particularly with the thorough analysis given to it by the Senator from Oregon, and I shall vote with him to recommit the bill to the Judiciary Committee. If it goes back to that committee, Mr. President, I hope that when hearings are held there will be many more witnesses before the subcommittee considering the bill than there were when it was previously considered.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

3. PROFESSIONAL PERSONNEL

Negro professional personnel today comprises about 4,000 physicians, 1,600 dentists, 9,000 nurses, and 1,400 pharmacists, a grossly inadequate number by any standard. It is accepted as a minimal standard of safety that there should be 1 physician to 1,500 of population. The national average is about 1 to 750. In 1942 the proportion of Negro physicians to Negro population was 1 to 3,377. The range by States was from 1 to 1,002 in Missouri, to 1 to 18,527 in Mississippi. But two cities in the country, Washington, D. C., and St. Louis, Mo., have a proportion approximating the national average of 1 to 750.

It is not our premise that the number of Negro physicians in the United States should be determined by the number of Negroes, but if physician-population ratio is considered on a racial basis, there should be 9,334 colored physicians today, assuming the Negro population to be 14,000,000. This is more than twice the existing number. Consequently, a large portion of the Negro population receives such medical care as it obtains from white physicians who, in many cases, find this service an inconvenience. The following statement of a prominent white physician in the Washington Star of July 1, 1947, is highly significant in this connection: "In the past we have profitably used the Negro as our guinea pig in clinical medicine. Let us have the good sense to do it in medical economics."

4. NEGRO MEDICAL GHETTO

The Negro medical man has had to work out his problems in a nationally dispersed professional "ghetto." Many have become so conditioned to the arrangement that too often they think it the only one possible and believe, as is frequently asserted, that one is being "unrealistic" if he thinks otherwise.

The heart of this medical ghetto is the Howard and Meharry Medical Schools. The field centers are about 10 Negro hospitals and about 10 additional hospitals in the North and West, where most of these graduates serve their internships and obtain advanced training in residencies and specialties. These few institutions determine to a large extent the type of medical service the public can receive.

None, second-, third-, or fourth-rate hospitals have largely been the portion of the Negro people. This lack of adequate hospital facilities has been the greatest material handicap to the receipt of adequate medical care by the patient and adequate postgraduate training by the profession.

There are 112 Negro hospitals in the United States, of which some 25 are accredited and 14 approved for the training of interns. The number of hospital beds available to Negroes is in the neighborhood of 10,000. It is the current accepted standard that there should

be 4.5 general hospital beds per 1,000 of population. In "some areas where the population is heavily Negro there are as few as 75 beds set aside for over 1,000,000 of this group." In Mississippi in 1938, a survey by the Council on Medical Education and Hospitals of the American Medical Association, found 0.7 bed for Negroes and 2.4 for whites. Although in the 4 years preceding the survey there had been a steady increase in the number of hospital beds, facilities for Negroes had increased less rapidly than those for whites. The comment of the report is extremely enlightening on the attitude apparently of the State and the surveyors toward Negroes. It states, "In appraising medical service in this State one must take into account the fact that over 50 percent of the population in Mississippi are Negroes and that the demand for medical service among this group may fall below the requirements for the white population."

5. SOURCES OF PHYSICIANS

The two Negro schools, Howard University Medical School in Washington, D. C., and Meharry Medical College in Nashville, Tenn., graduate, and from their inception have trained, the large majority of Negro physicians (about 85 percent).

The first American Negro to receive a medical degree was James McCune Smith of New York, who had to go to Europe for his training and was graduated a doctor of medicine from the University of Glasgow in 1837, 110 years ago.

Before the Civil War, there was objection to professional education for Negroes if they intended to practice in the United States, but it was permissible if they proposed to go to Liberia, which was then being colonized. In this way, Dr. William Taylor and Dr. Fleet, of Washington, D. C.; Dr. John V. de Grasse, of New York; and Dr. Thomas White, of Brooklyn received their training. The two latter received their doctor of medicine degrees from Bowdoin College, Maine, in 1849. It was not until the Howard University Medical School was established in 1868 and the Meharry Medical College in 1876, that there was training of Negro physicians in any significant number.

6. INADEQUATE SUPPLY OF PHYSICIANS

At present about 145 Negro doctors are graduated annually. Howard and Meharry produce nearly 70 each and about a dozen are graduated annually from various medical schools in the North. The total is about 3 percent of doctors graduated annually in the United States. The Negro forms 10 percent of the population and is expected to constitute 11.1 percent in 1960. Surgeon General Parran of the United States Public Health Service has estimated that the Nation would need 95,000 more doctors by 1960. This would mean significant stepping up of our annual production of doctors. Obviously, the present production of Negro doctors cannot keep pace even with the growth of the Negro population, much less contribute to the general need.

7. HOWARD, MEHARRY, AND SEPARATE PROFESSIONAL EDUCATION

It has been a common mistake, even among Negroes, to regard Howard and Meharry as justifying their existence only by being responsible for training nearly all physicians needed by the Negro group. Medical education is an expensive and exacting enterprise. There are 77 medical schools in the United States. Their only ethical justification is the training of first-class physicians, a priority of competence, not race. Fifty years ago, Howard and Meharry might still have been the only solution to a difficult problem, but this is no longer the case. The present indication is for Howard and Meharry to open their doors to more white students and for the other 75 medical schools to admit such qualified Negro applicants as might appear. It is only through a program of intelligent integration that the health needs of the Negro, which are inseparable from those of the general population, can be met. Over the years, the two Negro schools, isolated and struggling alone, have done a remarkable job. They have worked with too many poorly prepared, often ill-chosen students; with faculties in large measure overworked, undermanned, poorly paid, and frequently inadequately trained; and with hospital and preclinical facilities which have been such as, at critical times in the life of each institution, to have jeopardized the standing of the schools.

Recent years have witnessed encouraging improvements in the Negro medical schools, particularly in respect to the training represented by the faculty. At Howard alone 25 members of the staff are certified specialists in clinical fields, and an additional four have passed the first part of their specialty boards; 10 faculty members hold the doctor of philosophy or its equivalent, in addition to the doctor of medicine; and five have the doctor of philosophy in their preclinical specialities. At Meharry a number of faculty members have acquired special formal training in their fields, not necessarily leading to an advanced degree.

The responsibility of medical teaching centers for the prosecution of research has long been keenly appreciated by both Howard and Meharry. Meager staff and resources have prevented until the last several years significant activity in this direction. In the past decade, however, sufficient confidence has become established in the ability and facilities of Negro medical investigators for them to receive grants for the conduct of specific investigations from well-known foundations and commercial firms.

A critical survey, now in preparation by the writer, of publications by Negro medical writers has yielded a total of 1,869 titles by 648 individuals. These have appeared in 191 journals in addition to a few bound volumes. Of these articles, 1,073 or 57.4 percent have appeared in the Journal of the National Medical Association. From this it is apparent that the Journal of the Negro's separate medical organization has been his chief organ for scientific expression. Although more than half of what has been written has appeared in this journal, at least one Negro has had published one article in the standard in practically every field.

8. REINFORCING SHACKLES

A recent survey covering two-thirds of our 77 medical schools, and including all of the principal ones, showed Howard and Meharry to have the lowest top salaries for professors of any of the Nation's schools.

Meharry's salaries are lower than Howard's. The faculty there have a fine team spirit and dedication to the principle of service. It is expected that private practice will compensate an inadequate stipend, but no man can serve two masters. In the face of ever-growing requirements and standards, one asks if anywhere it can be tolerated that the Negro will be expected to produce anything but the best, or that he will be expected to do it with less in facilities and compensation than is the lot of others.

The more deeply one analyzes, the more limited the possibilities of the segregated pattern in medical education appear and the greater becomes the conviction that its abolition, in the manner stated above, is necessary.

Along with the above-mentioned improvements in our Negro medical schools themselves, new dangers appear which threaten to forge even more securely about the Negro medical man the shackles of the segregated medical plan.

One is a plan, which already has some overt expression, for Southern States which may be compelled to provide medical education for Negro residents to contract with Meharry for the training of such students. In thus giving support to an institution which needs money badly, the quietus is placed on the Meharry family, and, at the same time young scholars of great promise are directed to the school early. As a result these young men may be entrapped in the segregated plan so subtly that they may never be able to get around to speaking out against it.

Another is a plan of more or less nebulous nature whereby Meharry upper classmen are "farmed out" for clinical training to Negro hospitals in Southern States. The hospital acquires a kind of affiliation with the school which faculty clinicians visit at intervals for supervisory purposes. Through this type of arrangement, the white community completely dodges its local responsibility without any relaxation of the segregated pattern and the school acquires a greater vested interest in the segregated system. The Negro profession has been frequently criticized for its acceptance of segregation because of the vested-interest aspect.

The need for physicians is so great that Meharry and Howard could hardly want for students in predictable time. What the country needs, however, is not 75 good schools and the best that can be done for Howard and Meharry, but 77 or more first-class medical schools for the best men that can be found for training.

* * * * *

10. NO THIRD NEGRO MEDICAL SCHOOL

Realization of the need for more colored professional personnel has given rise to the suggestion that a third Negro medical school be established. North Carolina, where the former Leonard (Shaw) Medical School was located in Raleigh, has been mentioned as a possible area for such an institution. This proposal is cited only to be condemned.

The two existing schools are not yet adequately supported, and as medical education is a far more costly enterprise than ever before, the problem of finding sufficient funds for building and maintaining a new first-class institution constitutes a prime objection. Obtaining a faculty and student body of satisfactory caliber would present difficulties of coequal order.

There were at one time seven medical school for Negroes in the United States: Howard in Washington, Meharry in Nashville, Leonard in Raleigh, Flint in New Orleans, Knoxville in Knoxville, the medical department of the University of West Tennessee in Memphis, and the National Medical College in Louisville. The famous Flexner report on medical education in the United States and Canada pointed out in 1910 that only two of these were in a position to make any contribution of value to the solution of the problem. Our current interest is Flexner's statement:

"The upbuilding of Howard and Meharry will profit the Nation much more than the inadequate maintenance of a larger number of schools. They are of course unequal to the need and the opportunity; but nothing will be gained by way of satisfying the need or of rising to the opportunity through the survival of feeble, ill-equipped institutions, quite regardless of the spirit which animates the promoters."

Today, 37 years after this report was published, it is more clear than ever that not only will a built-up Howard and Meharry not solve the problem, but any segregated scheme whatsoever; hence the idea of a new Negro medical school is best left alone.

11. STATE BOARD RECORDS

The history of the Negro professional schools reveals an incessant struggle for quality. The accompanying table shows the State board examination records of Howard and Meharry graduates for the 44 years, 1903–46, the entire period of record. For a convenient frame of reference, the same data are presented for three representative schools in the North, South, and Middle West. We find Howard and Meharry to have all-time failure percentages of 16.7 and 28.9, respectively, as compared with Harvard's 3.1 (Boston, Mass.),

Emory's 6.2 (Atlanta, Ga.), and Washington's 3.1 (St. Louis, Mo.). Not until 1930 and 1925 did Meharry and Howard graduates, respectively, show consistently lower than 10-percent failures. It is an ironic compliment to the late Dean Numa P. G. Adams, of Howard, who was unflinchingly insistent upon quality in the practitioner, as opposed to quantity, that the last four classes admitted under him graduated after his death and had no State board failures. This crudest of criteria, success in the examination for certification for competence to practice, indicates that the caliber of Negro graduates as a whole has not been what is to be desired and indicates further need for continuous, self-espoused, postgraduate study and training.

12. INTERNSHIPS

The first level of postgraduate training is the 1-year internship. As this came increasingly to be a requirement for admission to practice, there was struggle to find enough approved hospitals to accommodate the annual crop of Negro medical graduates. As late as the middle twenties, this was an acute problem. Today, fortunately, the number of available approved internships slightly exceeds the average annual number of graduates. A recent tabulation showed 158 such openings, of which 109 were in Negro institutions (table 2).

TABLE 1.—*State board statistics: Howard and Meharry, 1903–46*

No.	Year	Howard				Meharry				Harvard				Emory				Washington, St. Louis			
		Passed	Failed	Percent failures	Number of boards examined by	Passed	Failed	Percent failures	Number of boards examined by	Passed	Failed	Percent failures	Number of boards examined by	Passed	Failed	Percent failures	Number of boards examined by	Passed	Failed	Percent failures	Number of boards examined by
1	1946	104	8	7.1	21	53	4	7.0	14	95	4	4.0	28	92	10	9.8	5	116	1	0.9	15
2	1945	75	5	6.2	16	64	4	5.9	12	45	2	4.3	20	80	0	0	4	110	1	.9	10
3	1944	32	6	15.8	14	10	0	0	6	45	2	4.4	26	85	0	0	4	107	0	0	7
4	1943	23	0	0	8	51	1	1.9	5	50	1	2.0	19	122	1	.8	7	251	2	.9	14
5	1942	28	0	0	12	52	2	3.7	6	76	1	1.3	26	60	0	0	6	111	1	.9	12
6	1941	29	0	0	12	53	3	5.4	5	41	3	6.8	12	69	1	1.4	8	104	0	0	9
7	1940	25	0	0	10	44	0	0	3	46	1	2.1	20	64	1	1.5	7	93	2	2.1	12
8	1939	31	2	6.1	12	37	1	2.6	8	70	0	0	25	68	1	1.4	10	112	2	1.8	12
9	1938	33	1	2.9	12	39	5	11.4	7	96	0	0	24	72	5	6.5	12	104	0	0	16
10	1937	54	5	8.5	13	42	2	4.5	9	108	2	1.8	27	85	3	3.4	9	97	6	5.8	12
11	1936	39	7	15.2	11	41	3	6.8	10	110	3	2.7	29	70	6	7.9	5	103	2	1.9	17
12	1935	50	5	9.1	16	47	4	7.8	11	87	3	3.3	25	80	2	2.4	11	115	4	3.4	15
13	1934	46	6	11.5	16	48	2	4.0	12	78	0	0	28	84	2	2.3	13	90	3	3.2	17
14	1933	46	7	13.2	15	50	4	7.4	14	61	1	1.6	22	56	1	1.8	12	108	0	0	16
15	1932	64	8	11.1	13	52	3	5.5	11	71	2	2.7	20	64	0	0	12	91	2	2.1	14
16	1931	56	7	11.1	17	65	3	4.4	13	62	1	1.6	20	55	1	1.8	12	71	2	2.7	20
17	1930	60	9	13.0	15	53	4	7.0	12	79	1	1.2	23	54	0	0	10	94	2	2.1	16
18	1929	57	10	14.9	17	78	11	12.4	17	80	0	0	24	51	0	0	7	66	0	0	17
19	1928	75	14	15.7	22	52	11	17.4	16	87	1	1.1	22	85	0	0	11	66	0	0	20
20	1927	62	9	12.7	17	83	12	12.6	19	82	0	0	21	66	1	1.5	8	76	1	7.8	24
21	1926	83	18	17.8	20	66	17	20.5	20	96	1	1.0	28	85	1	1.2	10	82	2	2.4	21
22	1925	75	10	11.8	19	60	16	21.1	20	80	0	0	22	133	3	2.2	7	99	4	3.9	24
23	1924	34	11	24.4	10	69	30	30.3	20	87	2	2.2	21	105	1	.9	8	88	2	2.2	16
24	1923	35	13	27.1	17	86	22	20.4	20	130	4	3.0	24	70	5	6.7	10	52	2	3.7	10
25	1922	33	11	25.0	14	49	29	37.2	15	112	1	.9	28	74	2	2.6	8	56	1	1.8	13
26	1921	37	15	28.9	14	57	48	45.7	19	108	4	3.6	19	51	1	1.9	5	48	1	2.0	12
27	1920	27	12	30.8	13	70	59	45.8	20	143	5	3.4	29	42	4	8.7	10	50	1	2.0	16
28	1919	22	7	24.1	11	65	66	50.4	21	159	5	3.0	25	42	8	16.0	10	64	2	3.0	17
29	1918	31	2	6.1	10	92	41	30.8	18	114	3	2.6	14	32	4	11.1	7	26	0	0	10
30	1917	17	2	10.5	11	131	57	30.3	22	103	3	2.8	20	82	7	7.9	10	31	0	0	11
31	1916	19	10	34.5	15	81	67	45.3	20	92	7	7.1	26	142	15	9.6	12	19	0	0	6
32	1915	33	13	28.3	13	91	46	33.6	23	101	7	6.5	16	157	15	8.7	11	35	0	0	7
33	1914	18	6	25.0	12	70	66	48.5	22	78	5	6.0	19	155	12	7.5	5	27	0	0	7
34	1913	35	2	5.4	17	96	47	32.9	18	87	7	7.4	23	113	15	11.7	10	45	0	0	9
35	1912	35	13	27.1	16	81	51	38.6	18	75	10	11.8	20	73	6	7.6	8	65	2	3.0	12
36	1911	37	9	19.6	20	57	53	48.2	18	52	4	7.1	9	67	10	13.0	11	115	5	4.2	22
37	1910	30	14	31.8	20	59	44	42.7	17	94	5	5.1	25	72	9	11.1	6	92	3	3.2	8
38	1909	36	18	33.3	15	68	68	50.0	18	70	3	4.1	12	62	6	8.8	4	80	7	8.0	9
39	1908	34	14	29.2	17	64	65	50.5	19	90	8	8.2	19	46	12	20.7	7	94	13	12.1	10
40	1907	23	5	17.9	11	58	45	43.7	19	97	5	4.9	18	18	2	10.0	3	70	8	10.3	13
41	1906	28	9	24.3	16	60	51	45.9	20	118	3	2.5	21	19	2	9.5	5	83	6	6.7	13
42	1905	28	11	28.2	17	33	25	43.1	16	113	3	2.6	18	12	5	29.4	9	52	8	13.1	20
43	1904	22	15	40.5	14	32	14	30.4	14	155	1	.6	17	36	5	12.2	11	38	8	17.4	17
44	1903	19	8	29.6	9	12	7	36.8	8	132	1	.8	15	42	14	25.0	8	10	3	23.0	8
Total		1,780	357	16.7		2,721	1,113	28.9		3,955	125	3.1		3,192	199	6.2		3,506	109	3.1	
Number examined		2,137				3,834				4,080				3,391				3,615			

TABLE 2.—*Approved internships available to Negro physicians*

Hospital and location	Number of positions	Monthly stipend
Negro medical centers:		
1. Freedmen's (Howard)	17	$50
2. Hubbard (Meharry)	12/29	10
Negro hospitals:		
3. Homer Phillips, St. Louis, Mo	36	25
4. General, No. 2, Kansas City, Mo	12	25
5. Provident, Chicago, Ill	8	15
6. Provident, Baltimore, Md	7	15
7. Mercy, Philadelphia, Pa	5	15
8. Flint-Goodrich, New Orleans, La	4	10
9. Lincoln, Durham, N. C	4	25
10. St. Agnes, Raleigh, N. C	4/80	25
Other hospitals:		
11. Harlem, New York City	35	45
12. Sydenham, New York City	6	50
13. City, Cleveland, Ohio	2	25
14. Cook County, Chicago, Ill	1	12
15. U. S. Marine, Boston, Mass	1	
16. Receiving, Detroit, Mich	2	100
17. Los Angeles County, Los Angeles, Calif	1	60
18. Jersey City, Jersey City, N. J	1/29	25
Total	158	

13. RESIDENCIES AND ASSISTANT RESIDENCIES

The swift, unceasing advance of medical science has in more recent years made requisite additional approved training in hospitals for two or more years beyond the internship. During this period a physician specializes in one particular field of medicine.

Again special and even more arduous efforts to secure openings of the proper type for Negro physicians have been necessary. At present there are 116 such opportunities available, covering the fields of internal medicine; surgery; obstetrics and gynecology; eye, ear, nose, and throat; bone and joint surgery; pathology; pediatrics; psychiatry; X-ray; tuberculosis; urology and anesthesiology (table 3).

TABLE 3.—*Residencies and assistant residencies available to Negro physicians*

Field	Hospitals	Number of positions
Anesthesiology	Harlem	[1] 3
	Freedmen's	1
	Sydenham [2]	[1] 1
Medicine	Freedmen's	9
	Homer Phillips	6
	Harlem	[1] 3
	Cleveland City	[1] 1
	Douglass	1
	Sydenham [2]	[1] 1

Footnotes at end of table.

TABLE 3.—*Residencies and assistant residencies available to Negro physicians*—Continued

Field	Hospitals	Number of positions
Surgery	Freedmen's	10
	Homer Phillips	5
	Harlem	4
	Hubbard	3
	Mercy	3
	Douglass	2
	Provident, Chicago	2
	Provident, Baltimore	2
	Cleveland City	1
	Sydenham [2]	[1] 1
Obstetrics and gynecology	Homer Phillips	5
	Provident, Chicago	4
	Freedmen's	3
	Hubbard, Nashville	2
	Provident, Baltimore	1
	Harlem	2
	Douglass	1
	Sydenham [2]	[1] 1
Ophthalmology and otolaryngology (eye)	Homer Phillips	3
	Provident, Chicago	1
	Cleveland City	[1] 1
Orthopedics	Freedmen's	1
	Sydenham	[1] 1
Pathology	Harlem	[1] 3
	Provident, Chicago	1
	Cleveland City	[1] 1
	Sydenham	[1] 1
	Homer Phillips	1

Footnotes at end of table.

TABLE 3.—*Residencies and assistant residencies available to Negro physicians*—Continued

Field	Hospitals	Number of positions
Pediatrics	Freedmen's	2
	Homer Phillips	2
	Provident, Chicago	1
	Harlem	1
	Hubbard	1
	Sydenham [2]	[1]1
Psychiatry	Cleveland City	[1]1
	Bellevue	[1]1
	Homer Phillips	1
Radiology	Hubbard	2
	Provident, Chicago	1
	Homer Phillips	1
	Sydenham	[1]1
	Freedmen's [2]	1
Tuberculosis	Koch, St. Louis	2
	Seaview, New York	[1]1
	Cleveland City	[1]1
Urology	Homer Phillips	2
	Flint-Goodridge	1
Total		116

[1] "Possible" for Negro candidates.
[2] Approval pending.

Eighty-five of these residencies are located in 8 Negro hospitals, of which the 4 institutions, Freedmen's in Washington (27), Homer Phillips in St. Louis (30), Provident in Chicago (9), and Hubbard in Nashville (9), together provide 74. Freedmen's with 17 internships and 27 residencies; Homer Phillips with 36 internships and 30 residencies; and Harlem in New York, a mixed institution, with 35 internships and 13 residencies, are carrying the heaviest training loads and their teaching programs conform to excellent standards (table 4).

TABLE 4.—*Residencies and assistant residencies in leading Negro hospitals*

Freedmen's	27
Anesthesiology	1
Medicine	9
Obstetrics and gynecology	3
Orthopedics	1
Pediatrics	2
Radiology	1
Surgery	10
Homer Phillips	30
Medicine	6
Neurology	2
Obstetrics and gynecology	5
Ophthalmology and otolaryngology	3
Pathology	1
Pediatrics	2
Psychiatry	3
Radiology	1
Surgery	5
Urology	2
Provident, Chicago	9
Obstetrics and gynecology	4
Pathology	1
Pediatrics	1
Radiology	1
Surgery	2
Hubbard	8
Obstetrics and gynecology	2
Pediatrics	1
Radiology	2
Surgery	3
Total	74

14. SPECIALISTS

Another recent development in medicine has been the remarkable growth of specialization. To become a specialist today a physician must comply with rigorous requirements of a specialty board. Here, even greater difficulties faced the Negro practitioner in obtaining opportunities for the training necessary for qualification.

The late Dr. W. Harry Barnes, of Philadelphia, was the first certified Negro specialist. He became a diplomate of the American Board of Otolaryngology in 1927. Since, and including Dr. Barnes, a total of 93 Negro specialists have been certified by various boards. Five of these men have died and one, Dr. Chester Chinn of New York, is a diplomate in both otolaryngology and ophthalmology, making a total of 87 living Negro specialists (table 5).

TABLE 5. NEGRO DIPLOMATES OF MEDICAL SPECIALTY BOARDS—93

AMERICAN BOARD OF INTERNAL MEDICINE—8

Henry A. Callis (Rush, 1921), District of Columbia, C. 1940; John B. Johnson (West, residence, 1935), District of Columbia, C. 1942; James Lowell Hall (Rush, 1926), Chicago, C 1943; Howard M. Payne (Howard, 1931), District of Columbia, C. 1945; W. A. Younge (Meharry, 1925), St. Louis, C. 1943; Leonidas H. Berry (Rush, 1929), Chicago, C. 1946; Edward E. Halloway (Howard, 1935), Philadelphia, C. 1946; Allison B. Henderson (Meharry, 1937), Detroit, C. 1947.

AMERICAN BOARD OF SURGERY—14

Charles R. Drew (McGill, 1933), District of Columbia, C. 1941; Clarence S. Greene (Howard, 1936), District of Columbia, C. 1943; Burke Syphax (Howard, 1936), District of Columbia, C. 1944; J. Richard Laurey (Wayne, 1933), District of Columbia, C. 1942; Henry E. Hampton (Meharry, 1928), St. Louis, C. 1943; Frederick D. Stubbs [1] (Harvard, 1931), Philadelphia, C. 1943; Louis T. Wright (Harvard, 1915), New York, C. 1939; Hartford R. Burwell (Howard, 1912), District of Columbia, C. 1944; Roscoe Giles (Cornell, 1915), Chicago, C. 1938; Ulysses G. Dailey (Northwestern, 1906), Chicago, C. 1942; Carl G. Roberts (Chicago College M. & S., 1911), Chicago, C. 1940; Aubre De L. Maynard (New York University, 1922), New York, C. 1945; Middleton H. Lambright (Meharry, 1938), Cleveland, C. 1946; Matthew Walker (Meharry, 1934), Nashville, C. 1947.

AMERICAN BOARD OF OTOLARYNGOLOGY—9

Ulysses L. Houston (Bennett, 1912), District of Columbia, C. 1938; Donald McC. Harper (Howard, 1928), District of Columbia, C. 1941; J. Francis Dyer (Howard, 1912), District of Columbia, C. 1940; William D. Morman (Howard, 1929), St. Louis, C. 1940; W. Harry Barnes [1] (Pennsylvania, 1912), Philadelphia, C. 1927; Chester W. Chinn (Michigan, 1925), New York, C. 1937; Leon A. Tancil [1] (Howard, 1921), Chicago; Charles M. Harris (Howard, 1924), Jersey City; James W. Nofles (Howard, 1935), St. Louis, C. 1941.

AMERICAN BOARD OF OPHTHALMOLOGY—8

Edwin J. Watson (Howard, 1913), District of Columbia, C. 1941; Chester W. Chinn (Michigan, 1925), New York, C. 1933; Claudius Forney (Ohio State, 1925), Chicago, C. 1936; Henry L. Gowens, Jr. (Hahnemann, 1908), Philadelphia, C. 1942; William M. Jones (Chicago, 1932), Chicago, C. 1939; Roosevelt Brooks (Illinois, 1929), Chicago, C. 1937; James M. Richardson (Howard, 1924), Chicago, C. 1940; H. P. Venable (Wayne, 1940), St. Louis, C. 1944.

AMERICAN BOARD OF UROLOGY—4

R. Frank Jones (Howard, 1922), District of Columbia, C. 1936; Kline A. Price (Howard, 1933), District of Columbia, C. 1943; Robert E. Fullilove (Howard, 1934), New Orleans, C. 1946; Walter S. Grant (Northwestern, 1921), Chicago, C. 1947.

[1] Deceased.

AMERICAN BOARD OF PEDIATRICS—11

Alonzo deG. Smith (Long Island, 1919), District of Columbia, C. 1936; Nolan A. Owens (Western Reserve, 1931), District of Columbia, C. 1941; Warrick W. Cardozo (Ohio State, 1933), District of Columbia, C. 1940; Roland B. Scott (Howard, 1934), District of Columbia, C. 1939; Ronald N. Jefferson (Meharry, 1935), Chicago, C. 1941; Thomas W. Patrick (Berlin, 1935), New York; Samuel A. Jenkins (New York University, 1928), New York, C. 1947; William H. Faulkner (Meharry, 1936), Nashville, C. 1942; Edward Beasley (Northwestern, 1923), Chicago, C. 1941; E. K. MacDonald (Northwestern, 1923), Chicago, C. 1942; Dale Beverly (Rushmore, 1927), Chicago, C. 1945.

AMERICAN BOARD OF RADIOLOGY—15

John R. Randolph (Vermont, 1924), New York, C. 1941; Charles H. Kelley (Howard, 1929), District of Columbia, C. 1939; John W. Lawlah (Rushmore, 1932), District of Columbia, C. 1939; James L. Martin (Leonard, 1906), Philadelphia; Russell F. Minton (Howard, 1929), Philadelphia, C. 1940; William E. Allen (Howard, 1930), St. Louis, C. 1939; Harold E. Thornell (Harvard, 1935), Detroit, C. 1941; Samuel H. Johnson (Meharry, 1930), Miami, C. 1940; John E. Moseley (Chicago, 1936), New York, C. 1944; Benjamin W. Anthony (Rushmore, 1928), Chicago, C. 1941; Jesse J. Peters (Indiana, 1920), Tuskegee, C. 1937; Lawrence D. Scott (Meharry, 1923), Nashville, C. 1940; Charles R. Humbert [1] (Howard, 1915), Kansas City; William P. Quinn (Meharry, 1937), Chicago, C. 1941; Robert I. Greenidge (Wayne, 1915), Detroit, C. 1941.

AMERICAN BOARD OF PSYCHIATRY AND NEUROLOGY—7

Ernest Y. Williams (Howard, 1930), District of Columbia, C. 1941; Justin Hope (Pennsylvania, 1934), District of Columbia, C. 1943; Raphael Hernandez (Meharry, 1928), Nashville, C. 1936–37; George C. Branche (Boston, 1923), Tuskegee; Harold Ellis (McGill, 1920), New York, C. 1939–40; Prince P. Barker (Howard, 1923), Tuskegee, C. 1939; Herbert J. Erwin (Meharry, 1937), St. Louis, C. 1944.

AMERICAN BOARD OF DERMATOLOGY—6

C. Wendell Freeman (Howard, 1926), District of Columbia, C. 1940; Theodore K. Lawless (Northwestern, 1920), Chicago, C. 1935; Ralph H. Scull (Rushmore, 1929), Chicago, C. 1937; Gerald A. Spencer (Lyon, France, 1932), New York, C. 1944; Joseph G. Gathings (Howard, 1927), District of Columbia, C. 1945; Paul Boswell (Minnesota, 1940), Chicago, C. 1947.

AMERICAN BOARD OF OBSTETRICS AND GYNECOLOGY—9

Julian W. Ross (Howard, 1911), District of Columbia, C. 1935; Peter M. Murray (Howard, 1914), New York, C. 1931; Julian H. Finley (Ohio State, 1916), Cleveland; Pedro Santos (Meharry, 1914–15), Chicago, C. 1942; William E. Smiley (Ohio State, 1937), St. Louis, C. 1946; William W. Gibbs (Indiana, 1917), Chicago, C. 1941; Thomas C. Simmons (Howard, 1933), District of Columbia, C. 1944; Leon Wilson [1] (Illinois, 1920), Chicago; Helen Dickens (Illinois, 1934), Philadelphia, C. 1946.

AMERICAN BOARD OF PATHOLOGY—2

Wm. S. Quinland (Meharry, 1914), Nashville, C. 1937; Julian H. Lewis (Rushmore, 1917), Chicago, C. 1943.

Of these, 26 are in Washington, 22 in Chicago, 10 in New York, 8 in St. Louis, 5 in Philadelphia, 5 in Nashville, 3 each in Detroit and Tuskegee, 2 in Cleveland, and 1 each in Jersey City, New Orleans, and Miami (table 6).

[1] Deceased.

TABLE 6.—*Locations of specialists*

Washington, D. C	26
Chicago, Ill	24
New York, N. Y	11
St. Louis, Mo	8
Philadelphia, Pa	7
Nashville, Tenn	5
Tuskegee, Ala	3
Cleveland, Ohio	2
Detroit, Mich	3
Jersey City, N. J	1
New Orleans, La	1
Kansas City, Mo	1
Miami, Fla	1
Total	93

TABLE 7.—*Number of Negro specialists by field*

Medical specialties	49
Internal medicine	8
Pediatrics	11
Radiology	15
Neurology and psychiatry	7
Dermatology	6
Pathology	2
Surgical specialties	44
Surgery	14
Otolaryngology	9
Opthalmology	8
Obstetrics and gynecology	9
Urology	4
Total	93

Forty-three of the specialists are from Negro schools (Howard, 28; Meharry, 14; and Shaw, 1), 48 graduated from 20 northern schools, and 2 from European institutions. They have been about evenly divided between the medical (49) and surgical (44) specialties (tables 7, 8).

Certification for specialties was extremely slow at first, but the greatly increased opportunities for residencies in recent years have permitted the very creditable acceleration of the past decade. No topical review of this nature could give justice to the multilateral efforts responsible for these still modest advances.

TABLE 8.—*Schools from which specialists graduated*

Negro schools	43
Howard	28
Meharry	14
Shaw	1
Other North American schools	48
Rush	8
Northwestern	5
Ohio State	4
Harvard	3
Illinois	3
Chicago	2
Western Reserve	2
McGill	2
Michigan	2
Indiana	2
Wayne	3
Hahnemann	1
Cornell	1
Chicago College M. & S	1
New York University	2
Vermont	1
Bennett	1
Long Island	1
Pennsylvania	2
Boston	1
Minnesota	1

TABLE 8.—*Schools from which specialists graduated*—Continued

Foreign schools	2
Berlin	1
Lyon	1
Total	93

NOTE.—The total number of specialists is 93, but since one man, Dr. Chinn, occupies two, the total number of men is 92, and with the deduction of 5 deceased, the present living total is 87.

15. COLLEGES

In addition to the specialty boards, which are available to all applicants, there are various colleges of specialists of a more exclusive nature, to which the admission of Negro physicians has been more difficult.

The late Dr. Daniel Hale Williams, of Chicago was inducted into the American College of Surgeons at its organization in 1913. Dr. Louis T. Wright was admitted in 1934, but the color bars were definitely up and have been relaxed only in the last 2 years when 15 additional surgeons have been made "Fellows."

The late Dr. Algernon B. Jackson, of Philadelphia is the only Negro to have been admitted to the American College of Physicians. Dr. William E. Allen of St. Louis and Dr. Charles H. Kelley of Washington are fellows of the American College of Radiology and Dr. J. Edmond Bryant of Chicago has just been admitted to the American College of Chest Physicians.

The complete list of Negro fellows of the American College of Surgeons follows. It will be noted that two are graduates of Howard, one of Meharry and the remaining 14 of northern institutions:

Daniel Hale Williams (Northwestern, 1883), Chicago (deceased).

Louis Tompkins Wright (Harvard, 1915), New York.

Peter Marshall Murray (Howard, 1914), New York.

Ulysses Grant Dailey (Northwestern, 1906), Chicago.

Roscoe C. Giles, (Cornell, 1915), Chicago.

Carl G. Roberts (Chicago College of Medicine and Surgery, 1911), Chicago.

Farrow H. Allen (Harvard, 1926), New York.

Alton E. Blythewood (Meharry, 1934), Newark, N. J.

Chester W. Chinn (Michigan, 1935), New York.

Aubre de L. Maynard (N. Y. U., 1926), New York.

Russell Nelson (U. of Pa., 1920), New York.

Ralph H. Young (Columbia, 1914), New York.

W. Yerby Jones (U. of Buffalo, 1924), Buffalo.

Euclid P. Ghee (Harvard, 1927), Jersey City, N. J.

Clement Mervin Jones (Howard, 1934), Bayonne, N. J.

Frederick D. Stubbs (Harvard, 1930), Philadelphia (deceased)

James C. Whitaker (Harvard, 1927), New York.

The International College of Surgeons, a well established organization, has admitted to fellowship Dr. Ulysses G. Dailey, Dr. Charles R. Drew, Dr. Roscoe Giles, and Dr. Peter M. Murray. The late Dr. Frederick D. Stubbs was an associate fellow, having lacked by a year at the time of his election the qualifying age of 40.

The honor society of medical schools which corresponds to the Phi Beta Kappa of the college is Alpha Omega Alpha. This does not have chapters at Howard or Meharry, but it is worthy of mention here that a number of Negro physicians have, by their superior scholarship, earned election to this group. A partial list includes, Numa P. G. Adams (deceased), Rush; Julian H. Lewis, Rush; John W. Lawlah, Rush; Wilder P. Montgomery, Rush; Frederick D. Stubbs (deceased), Harvard; Stanley E. Brown, Western Reserve; Paul B. Cornely, Michigan; Charles R. Drew, McGill; Walter S. Grant, Northwestern; Ira M. Henderson, Northwestern; W. Warrick Cardozo, Ohio State; Elmer E. Collins, Iowa; Vera L. Joseph, Columbia; and Norman H. Pritchard, Columbia.

Mr. MORSE. Mr. President, I want to thank the Senator from North Dakota for his kind remarks, and to assure him that I am in complete support of the splendid defense of civil rights which he has expressed this afternoon I quite agree with him that recommitting the bill is not in issue, but it will permit of a thorough study of the legal propositions I think should be thoroughly investigated before the bill is reported.

So that the RECORD may be perfectly clear, I desire to say, inasmuch as I have talked with some of my colleagues, including the Senator from Nebraska [Mr. WHERRY], that the position of the junior Senator from Oregon is that the bill should go back to the Judiciary Committee for a thorough examination and study of the legal issues which the Senator from Kentucky [Mr. COOPER], the Senator from North Dakota [Mr. LANGER], and I have raised in opposition to the compact.

The PRESIDING OFFICER (Mr. WILEY in the chair). The present occupant of the chair was detained this afternoon and, therefore, was not privileged to hear the argument of the Senator from Oregon. He has heard the argument of the Senator from North Dakota, however, with which he disagrees 100 percent. Tomorrow, after he has read the argument of the Senator from Oregon, he expects to reply.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2359) to authorize the payment of a lump sum, in the amount of $100,000, to the village of Highland Falls, N. Y., as a contribution toward the cost of construction of a water-filtration plant, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BATES of Massachusetts, Mr. ARENDS, Mr. COLE of New York, Mr. BROOKS, and Mr. SASSCER were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H. R. 107. An act for the acquisition and maintenance of wildlife management and control areas in the State of California, and for other purposes;

H. R. 338. An act for the relief of Amin Bin Rejab;

H. R. 345. An act for the relief of Ollie McNeill and Ester B. McNeill;

H. R. 817. An act for the relief of Andres Quinones and Letty Perez;

H. R. 831. An act for the relief of George Chan;

H. R. 1022. An act for the relief of Peter Bednar, Francisca Bednar, Peter Walter Bednar, and William Joseph Bednar;

H. R. 1189. An act to establish the methods of advancement for post-office employees (rural carriers) in the field service;

H. R. 1392. An act for the relief of Mrs. Charlotte E. Harvey;

H. R. 1562. An act to increase temporarily the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States;

H. R. 1653. An act for the relief of Edward W. Bigger;

H. R. 1724. An act to legalize the admission to the United States of Sarah Jane Sanford Pansa;

H. R. 1749. An act to amend the act entitled "An act for the relief of Johannes or John, Julia, Michael, William, and Anna Kostiuk";

H. R. 1953. An act for the relief of John F. Reeves;

H. R. 2000. An act for the relief of Jeffersonville flood-control district, Jeffersonville, Ind., a municipal corporation;

H. R. 2418. An act for the relief of Luz Martin;

H. R. 3189. An act for the relief of Joe Parry, a minor;

H. R. 3224. An act for the relief of Frank and Maria Durante;

H. R. 3608. An act for the relief of Cristeta La-Madrid Angeles;

H. R. 3740. An act for the relief of Andrew Osiecimski Czapski;

H. R. 3787. An act for the relief of Mrs. Maria Smorczewska;

H. R. 3824. An act for the relief of Mrs. Cletus E. Todd (formerly Laura Estelle Ritter);

H. R. 3880. An act for the relief of Ludwig Pohoryles;

H. R. 4018. An act authorizing the transfer of certain real property for wildlife, or other purposes;

H. R. 4050. An act to record the lawful admission to the United States for permanent residence of Moke Tcharoutcheff, Lucie Baptistine Tcharoutcheff, Raymonde Tcharoutcheff, and Robert Tcharoutcheff;

H. R. 4068. An act to authorize the Federal Works Administrator to construct a building for the General Accounting Office on square 518 in the District of Columbia, and for other purposes;

H. R. 4129. An act for the relief of Jerline Floyd Givens and the legal guardian of William Earl Searight, a minor;

H. R. 4130. An act for the relief of Dennis (Dionesio) Fernandez;

H. R. 4631. An act for the relief of Antonio Villani;

H. R. 5035. An act to authorize the attendance of the United States Marine Band at the Eighty-second National Encampment of the Grand Army of the Republic to be held in Grand Rapids, Mich., September 26 to 30, 1948;

H. R. 5118. An act to authorize the sale of certain individual Indian land on the Flathead Reservation to the State of Montana;

H. R. 5137. An act to amend the Immigration Act of 1924, as amended;

H. R. 5262. An act to authorize the sale of individual Indian lands acquired under the act of June 18, 1934, and under the act of June 26, 1936;

H. R. 5543. An act granting the consent of Congress to Carolina Power & Light Co. to construct, maintain, and operate a dam in the Lumber River;

H. R. 5651. An act authorizing the Secretary of the Interior to convey certain lands in South Dakota for municipal or public purposes;

H. R. 5805. An act to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; and

H. R. 5963. An act to authorize the construction of a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, and for other purposes.

SUPPLEMENTAL APPROPRIATIONS FOR THE NATIONAL DEFENSE—CONFERENCE REPORT

Mr. WHERRY. Mr. President, a conference report has the right-of-way over pending business, and I therefore ask that the unfinished business be temporarily set aside and that the Chair lay before the Senate the conference report on House bill 6226 making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and I ask for its immediate consideration.

The PRESIDING OFFICER laid before the Senate the conference report on House bill 6226, which the Chief Clerk read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6226) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 7, 8, 9, and 11, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In the last line of the matter inserted by said amendment strike out the sum "$30,049,000" and insert in lieu thereof "$20,849,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the figure named in said amendment insert "$500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 10.

STYLES BRIDGES,
CHAN GURNEY,
KENNETH MCKELLAR,
CARL HAYDEN,
MILLARD E. TYDINGS,
Managers on the Part of the Senate.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL J. STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WHERRY. Mr. President, inasmuch as several Senators would like to be present when the report is considered, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Conor
Baldwin	Hayden	O'Daniel
Ball	Hickenlooper	O'Mahoney
Brewster	Hill	Pepper
Bridges	Hoey	Reed
Brooks	Holland	Robertson, Va.
Buck	Ives	Russell
Butler	Jenner	Saltonstall
Byrd	Johnson, Colo.	Smith
Cain	Johnston, S. C.	Sparkman
Capehart	Kem	Stennis
Capper	Knowland	Stewart
Connally	Langer	Taft
Cooper	Lodge	Thomas, Okla.
Cordon	Lucas	Thomas, Utah
Downey	McClellan	Thye
Dworshak	McFarland	Tobey
Eastland	McKellar	Tydings
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Martin	Wherry
Flanders	Maybank	White
Fulbright	Millikin	Wiley
George	Moore	Williams
Green	Morse	Wilson
Gurney	Murray	Young
Hatch	Myers	

Mr. WHERRY. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from West Virginia [Mr. REVERCOMB] are necessarily absent.

The Senator from Nevada [Mr. MALONE] and the Senator from Wyoming [Mr. ROBERTSON] are absent on official business.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate.

Mr. LUCAS. The Senator from Kentucky [Mr. BARKLEY] is absent by leave of the Senate on official business.

I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent by leave of the Senate.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Rhode Island [Mr. MCGRATH] are absent on public business.

The Senator from Louisiana [Mr. OVERTON] is absent because of illness.

The Senator from Nevada [Mr. MCCARRAN], the Senator from Idaho [Mr. TAYLOR], the Senator from North Caroline [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The ACTING PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

Mr. BRIDGES. Mr. President, I move that the Senate agree to the conference report.

The ACTING PRESIDENT pro tempore. The question is on the motion of the Senator from New Hampshire.

Mr. GEORGE. Mr. President, I was not able to be in the Senate last week when the vote on this measure was taken, and I take this occasion, anticipating that there will not be a record vote on the conference report, to say that had I been present I would have supported the bill, and I shall support the conference report.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BREWSTER. Before there is any action taken I wish to discuss briefly the

implications of one provision of the conference report. As to whether this is the appropriate time to do it or later, I shall be guided by the decision of the Chair.

The ACTING PRESIDENT pro tempore. May the Chair inquire of the Senator from Maine as to what portion of the report he desires to discuss?

Mr. BREWSTER. The part I desire to discuss is the renegotiation provision.

The ACTING PRESIDENT pro tempore. That will come later when the Chair lays down a message from the House.

The question is on the motion of the Senator from New Hampshire.

The motion was agreed to.

Mr. BRIDGES. Mr. President, I now ask the Chair to lay before the Senate the action of the House on Senate amendment No. 10.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6226, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
May 11, 1948.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 10 to the bill (H. R. 6226) entitled "An act making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and for other purposes," and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"SEC. 3. (a) All contracts in excess of $1,000 entered into under the authority of this act, obligating funds appropriated hereby, obligating funds consolidated by this act with funds appropriated hereby, or entered into through contract authorizations herein granted, and all subcontracts thereunder in excess of $1,000 shall contain the following article:

" 'Renegotiation article: This contract is subject to the Renegotiation Act of 1948 and the contractor hereby agrees to insert a like article in all contracts or purchase orders to make or furnish any article or to perform all or any part of the work required for the performance of this contract.'

"(b) Whenever in the opinion of the Secretary of Defense excessive profits are reflected under any contract or contracts or subcontract or subcontracts required to contain the renegotiation article prescribed in subsection (a), the Secretary is authorized and directed to renegotiate such contracts and subcontracts for the purpose of eliminating excessive profits. He shall endeavor to make an agreement with the contractor or subcontractor with respect to the amount, if any, of such excessive profits and to their elimination. If no such agreement is reached, the Secretary shall issue an order determining the amount, if any, of such excessive profits and shall eliminate them by any of the methods set forth in subsection (c) (2) of the Renegotiation Act of February 25, 1944, as amended. In eliminating excessive profits the Secretary shall allow the contractor or subcontractor credit for Federal income and excess profits taxes as provided in section 3806 of the Internal Revenue Code. The powers hereby conferred upon the Secretary shall be exercised with respect to the aggregate of the amounts received or accrued under all such contracts and subcontracts by the contractor or subcontractor during his fiscal year or upon such other basis as may be mutually agreed upon; except that this section shall not be applicable in the event that the aggregate of the amounts so received or accrued is less than $100,000 during any fiscal year.

"(c) For the purpose of administering this section the Secretary of Defense shall have the right to audit the books and records of any contractor or subcontractor subject to this section. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of the Secretary of Defense and with the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purpose of making examinations and audits under this section.

"(d) The provisions of this section shall not apply to any of the contracts or subcontracts specified in subsection (i) (1) of the Renegotiation Act of February 25, 1944, as amended, and the Secretary of Defense in his discretion may exempt from the provisions of this section any other contract or subcontract both individually and by general classes or types.

"(e) Agreements or orders determining excessive profits shall be final and conclusive in accordance with their terms and except upon a showing of fraud or malfeasance or willful misrepresentation of a material fact shall not be annulled, modified, reopened, or disregarded, except that in the case of orders determining excessive profits the amount of the excessive profits, if any, may be redetermined by the Tax Court of the United States in the manner prescribed in subsection (e) (1) of the Renegotiation Act of February 25, 1944, as amended, except that such redetermination shall be subject to review to the extent and in the manner provided by subchapter B of chapter 5 of the internal revenue code.

"(f) The Secretary of Defense shall promulgate and publish in the Federal Register regulations interpreting and applying this section and prescribing standards and procedures for determining and eliminating excessive profits hereunder using so far as he deems practicable the principles and procedures of the Renegotiation Act of February 25, 1944, as amended, having regard for the different economic conditions existing on or after the effective date of this act from those prevailing during the period 1942 to 1945. In any case in which the contract price of any such contract or subcontract was based upon estimated costs, then the Secretary of Defense shall determine the difference between such estimated costs and actual costs and shall, in eliminating excessive profits, take into consideration as an element the extent to which such difference is the result of the efficiency of the contractor or subcontractor.

"(g) The powers and duties hereby conferred upon the Secretary of Defense may be delegated by him to any officer (military or civilian) or agency of the National Military Establishment.

"(h) Any person who willfully fails or refuses to furnish any information, records, or data required of him under this section, or who knowingly furnishes any such information, records, or data containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than $10,000 or imprisonment for not more than 2 years, or both.

"(i) This section may be cited as the 'Renegotiation Act of 1948'."

Mr. BRIDGES. Mr. President, I now move that the Senate agree to the amendment of the House to the amendment of the Senate numbered 10.

Mr. BREWSTER. Mr. President, I wish to point out some of the implications of such action. I was not present the other day when the matter was under discussion, because I was excused for the purpose of performing other service. I shall not oppose the adoption of the provision, but I think some of its implications should be made clear in the RECORD.

I was naturally gratified by the unanimous approval of the 70-air-group program, and with the statements contained in the Report of the Congressional Aviation Policy Board which studied the matter and made the report regarding it. I ask to have inserted in the RECORD at this point the two reports made by the National Aviation Policy Board dealing with the matter, which appears on page 7 of the Report on National Aviation Policy.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

PLAN A

From the information made available to the Board by the Air Force and by the Navy separately, it would appear that the initial strength necessary to mount promptly an effective, continuing, and successful air offensive against a major enemy, is what is termed the Air Force 70-group program of 20,541 aircraft, plus the Navy program of 14,500 aircraft, total 35,041 aircraft. At the level-off period in 1953 these programs would require thereafter an annual Air Force procurement of 86,000,000 airframe pounds and an annual Navy procurement of 25,000,000 airframe pounds—total, 111,000,000 airframe pounds annually.

PLAN B

Based on the same sources of information, the strength necessary to prevent the loss of a war upon the outset of hostilities appears to be the same program outlined in plan A above, but without reserve aircraft, which means a combined Air Force and Navy aviation procurement of 63,000,000 airframe pounds annually. For the purpose of comparative budget study (see tabluations) we have assumed that the combined annual procurement of 63,000,000 pounds might be divided into approximately 45,000,000 for the Air Force and 18,000,000 for the Navy. This plan is designed to provide a force sufficient to (*a*) withstand an initial blow intended to cripple the United States, (*b*) form the basis for a strong Territorial defense, and (*c*) provide effective retaliation, but not a sustained offensive action. Under this plan it is estimated that the aircraft manufacturing industry would require a year longer to reach the volume of aircraft production necessary to cope with attrition, than it would under plan A.

Mr. BREWSTER. Mr. President, it seems evident that this action has apparently brought miracles judging by the reports we hear this morning from Moscow. I wish we might take entire credit for the results, but at any rate I am sure the action taken by Congress was not lacking as a contributing factor particularly since it was first practically the unanimous action of the House, and later of the Senate.

In the matter of renegotiation, however, I want here to call attention to the fact that under the very careful studies which were made by the War Investigating Committee it was developed that there were very serious gaps in the renegotiation, by the exclusion of certain raw materials, particularly petroleum, from the entire provision of the act. That led us to an exploration of the so-called Arabian oil situation, in which we

found what seemed to the committee in its unanimous opinion to be very excessive profits.

I am disturbed by the fact that the Secretary of the Navy, the Honorable John L. Sullivan, in commenting upon this report, in dealing with the matter of excessive profits, directs himself exclusively to the question of whether or not they could have secured the supplies elsewhere more cheaply, which was not the question with which the committee was concerned.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. HATCH. I have not seen the comment of the Secretary to which the Senator refers. I think we discussed in our report the fact that the Navy was unable to secure oil at a cheaper price, and we pointed that out as one of the evils that we were criticizing; that certain interests had in effect held a gun at the head of our armed forces and compelled the paying of this high price, because there were no other available supplies.

Mr. BREWSTER. That was the question which was put very pointedly by the Senator from New Mexico in connection with the hearings, and brought out very clearly. That was why I was very much disturbed by the later comment of the Secretary of the Navy, which I shall read in a moment, in view of the provision in the bill. I quote now from page 5 of the bill, and I think the same language is to be found in the conference report:

Whenever in the opinion of the Secretary of Defense excessive profits are reflected under any contract.

Apparently the Secretary of the Navy did not consider the question of whether excessive profits were reflected in this oil contract, but in his entire comments upon it he addresses himself exclusively to the question of whether the Government could have secured cheaper oil elsewhere. If excessive profits mean anything they are related to the contract in question, and not to the question of whether or not the Government might have secured oil more cheaply elsewhere. I shall quote from the statement of Mr. Sullivan. I realize that this is not the statement of the Secretary of Defense, but I assume that there is possibly a somewhat greater degree of coordination between the Secretary of the Navy and the Secretary of Defense than prevailed in the current case between the Secretary of Air and the Secretary of Defense. And so on the assumption that the Secretary of the Navy may have been reflecting the views of the Secretary of Defense I take occasion to quote his comments upon the oil situation, with the idea that if the same theory prevailed this section of the bill regarding the Renegotiation Act of 1948 may have very little meaning. The investigating committee in its very careful study of renegotiation pointed out the undesirability of the exclusion of certain items. The other provision regarding keeping funds available until expended, is included in this measure, and that is most desirable.

Now to the current case. Mr. John L. Sullivan, Secretary of the Navy, on April 28, 1948, in his comment on the oil situation, said:

The Navy first paid $1.05 for oil in October 1945, and will continue to purchase oil at this price from the Middle East until July of this year. During this time 43,000,000 barrels of Navy Special Fuel Oil will have been purchased for $45,150,000. The average price for similar products from the United States Gulf Coast and Aruba during this same period has been $1.84 per barrel.

That is all correct.

It is apparent, therefore, that its purchases from middle eastern sources have cost the Navy $33,000,000 less than would have been the case had its petroleum purchases all been made at Gulf Coast and Aruba prices.

Mr. President, that statement is entirely true. It, however, does not include the companion statement that if the Navy had purchased this oil at the cost which the companies themselves testified of 40 cents a barrel we would have saved not the $33,000,000 which they speak about, but $25,000,000 over the price which the Navy did actually pay. Now, whether or not a payment of $25,000,000 in profit on a $43,000,000 contract is an excessive profit would seem to be a very material question. I had not supposed it was one about which there would be any question. The fact that Mr. Sullivan entirely fails to mention the very pregnant fact which the War Investigating Committee so earnestly pointed out leads one to ponder what will be their position regarding excessive profits in other analogous cases.

Mr. Sullivan goes on to say:

The Brewster committee criticizes the fact that the $1.05 price was increased for the procurement that was made for the last half of 1948.

That is the current contract.

The negotiations for this contract were protracted.

I may say that Mr. Forrestal testified before our committee that if any attempts were made to raise the price of this Arabian oil they would be very firmly resisted.

The prices agreed to were $1.17½ per barrel for the first 3 months of the contract and $1.48 per barrel for the second half of the contract. The average price for the 6 months is $1.32 per barrel. This is an increase of approximately 25 percent from the $1.05 price. In contrast to this increase of 25 percent, the price in the Gulf coast and Aruba for comparable products has increased from $1.05 in October 1945 to $2.63, or approximately 150 percent.

In other words, the Navy is now buying oil in the Middle East at less than one-half the price oil is selling for in the Gulf coast and Aruba.

Again, the whole contention is that we are buying oil cheaper in Arabia than we are in the Gulf of Mexico. It seems to me pertinent to point out that as a result of the renegotiated contract we are now paying to the Arabian-American Oil Co.—Aramco, as it is called—not the $1.05 which it originally charged, not the 40 cents which was originally proposed, and which the oil companies have testified was their cost, but $1.48. In other words, we are paying $1.03 profit, according to the company's own records, on every barrel of oil we buy from them, or a profit of more than 200 percent on their cost of production; and the profit on 43,000,000 barrels of oil, which they testified to, would be more than $45,000,000. If that is not an excessive profit, I cannot understand the use of language.

Most of the time, under the Renegotiation Act as applied to companies in renegotiation, it was considered that approximately 10 percent on the turn-over was a fair profit for the companies concerned. In my judgment, in many instances that represented an excessive profit, as it resulted in a profit of 400 or 500 percent per annum in some instances on the investment of the company, and it seemed to me that was in some instances excessive. But here we have the very reverse. On the most essential product being supplied to our Government for the operation of our Navy and our Air Corps, profits, according to the companies' own evidence, amounted to more than 100 percent; and we are blandly told by the Secretary of the Navy that it would cost us more elsewhere.

If renegotiation is going to mean anything, it must mean renegotiation of contracts of that character to determine whether or not excessive profits are being secured.

I shall not here labor all the other reasons why it seems to me that we have very equitable claims upon these particular companies, because of the very large advance by our Government to the Arabian Government during the period of the War; but it does seem to me that the Congress should scrutinize very carefully the operation of this provision, to determine whether or not excessive profits are being made, and whether or not 250 percent profit on the turn-over is considered anything other than excessive profit so far as that item is concerned.

I shall not here challenge the adoption of the conference report, realizing the extent to which it has gone; but I trust that every committee of the Congress concerned with appropriation and authorization will continue to scrutinize with exceeding care the functioning of this provision of the so-called Renegotiation Act of 1948, in order to insure that any standards of the character implied in the statement of the Secretary of the Navy in this situation shall not be the rule of thumb by which the Renegotiation Act of 1948 shall be administered.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the provisions of the Renegotiation Acts of 1942 and 1943, regarding the exclusion of certain items. I believe that is necessary to an understanding of the situation.

There being no objection, the material referred to was ordered to be printed in the RECORD, as follows:

[From the Renegotiation Act of 1942]

(c) Section 403 of the Sixth Supplemental National Defense Appropriation Act (Public 528, 77th Cong., 2d sess.), is amended by adding at the end thereof the following subsections:

"(i) (1) The provisions of this section shall not apply to—

"(1) any contract by a department with any other department, bureau, agency, or

governmental corporation of the United States or with any Territory, possession, or State or any agency thereof or with any foreign government or any agency thereof; or

"(ii) any contract or subcontract for the product of a mine, oil or gas well, or other mineral or natural deposit, or timber, which has not been processed, refined, or treated beyond the first form or state suitable for industrial use; and the secretaries are authorized by joint regulation, to define, interpret, and apply this exemption.

"(2) The secretary of a department is authorized, in his discretion, to exempt from some or all of the provisions of this section—

"(i) any contract or subcontract to be performed outside of the territorial limits of the continental United States or in Alaska;

"(ii) any contracts or subcontracts under which, in the opinion of the secretary, the profits can be determined with reasonable certainty when the contract price is established, such as certain classes of agreements for personal services, for the purchase of real property, perishable goods, or commodities the minimum price for the sale of which has been fixed by a public regulatory body, of leases and license agreements, and of agreements where the period of performance under such contract or subcontract will not be in excess of 30 days; and

"(iii) a portion of any contract or subcontract or performance thereunder during a specified period or periods, if in the opinion of the secretary, the provisions of the contract are otherwise adequate to prevent excessive profits.

"The secretary may so exempt contracts and subcontracts both individually and by general classes or types.

"(j) Nothing in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) or in section 190 of the Revised Statutes (U. S. C., title 5, sec. 99) shall be deemed to prevent any person appointed by the secretary of a department for intermittent and temporary employment in such department, from acting as counsel, agent, or attorney for prosecuting any claim against the United States: *Provided*, That such person shall not prosecute any claim against the United States (1) which arises from any matter directly connected with which such person is employed, or (2) during the period such person is engaged in intermittent and temporary employment in a department."

[From the Renegotiation Act of 1943]

(i) (1) The provisions of this section shall not apply to—

(A) any contract by a department with any other department, bureau, agency, or governmental corporation of the United States or with any Territory, possession, or State or any agency thereof or with any foreign government or any agency thereof; or

(B) any contract or subcontract for the product of a mine, oil or gas well, or other mineral or natural deposit, or timber, which has not been processed, refined, or treated beyond the first form or state suitable for industrial use; or

(C) any contract or subcontract for an agricultural commodity in its raw or natural state, or if the commodity is not customarily sold or has not an established market in its raw or natural state, in the first form or state, beyond the raw or natural state, in which it is customarily sold or in which it has an established market. The term "agricultural commodity" as used herein shall include but shall not be limited to—

(i) commodities resulting from the cultivation of the soil such as grains of all kinds, fruits, nuts, vegetables, hay, straw, cotton, tobacco, sugarcane, and sugar beets;

(ii) natural resins, saps, and gums of trees;

(iii) animals such as cattle, hogs, poultry, and sheep, fish and other marine life, and the produce of live animals, such as wool, eggs, milk, and cream; or

(D) any contract or subcontract with an organization exempt from taxation under section 101 (6) of the Internal Revenue Code; or

(E) any contract with a department, awarded as a result of competitive bidding, for the construction of any building, structure, improvement, or facility; or

(F) any subcontract, directly or indirectly under a contract or subcontract to which this section does not apply by reason of this paragraph.

(2) The Board is authorized by regulation to interpret and apply the exemptions provided for in paragraph (1) (A), (B), (C), (E), and (F), and interpret and apply the definition contained in subsection (a) (7).

(3) In the case of a contractor or subcontractor who produces or acquires the product of a mine, oil or gas well, or other mineral or natural deposit, or timber, and processes, refines, or treats such a product to and beyond the first form or state suitable for industrial use, or who produces or acquires an agricultural product and processes, refines, or treats such a product to and beyond the first form or state in which it is customarily sold or in which it has an established market, the Board shall prescribe such regulations as may be necessary to give such contractor or subcontractor a cost allowance substantially equivalent to the amount which would have been realized by such contractor or subcontractor if he had sold such product at such first form or state. Notwithstanding any other provisions of this section there shall be excluded from consideration in determining whether or not a contractor or subcontractor has received or accrued excessive profits that portion of the profits, derived from contracts with the departments and subcontracts, attributable to the increment in value of the excess inventory. For the purposes of this paragraph the term "excess inventory" means inventory of products, hereinbefore described in this paragraph, acquired by the contractor or subcontractor in the form or at the state in which contracts for such products on hand or on contract would be exempted from this section by subsection (i) (1) (B) or (C), which is in excess of the inventory reasonably necessary to fulfill existing contracts or orders. That portion of the profits derived from contracts with the departments and subcontracts attributable to the increment in value of the excess inventory, and the method of excluding such portion of profits from consideration in determining whether or not the contractor or subcontractor has received or accrued excessive profits, shall be determined in accordance with regulations prescribed by the Board. In the case of a renegotiation with respect to a fiscal year ending prior to July 1, 1943, the portion of the profits, derived from contracts with the departments and subcontracts, attributable to the increment in value of the excess inventory shall (to the extent such portion does not exceed the excessive profits determined) be credited or refunded to the contractor or subcontractor, and in case the determination of excessive profits was made prior to the date of the enactment of the Revenue Act of 1943, such credit or refund shall be made notwithstanding such determination is embodied in an agreement with the contractor or subcontractor, but in either case such credit or refund shall be made only if the contractor or subcontractor, within 90 days after the date of the enactment of the Revenue Act of 1943, files a claim therefor with the Secretary concerned.

(4) The Board is authorized, in its discretion, to exempt from some or all of the provisions of this section—

(A) any contract or subcontract to be performed outside of the territorial limits of the continental United States or in Alaska;

(B) any contracts or subcontracts under which, in the opinion of the Board, the profits can be determined with reasonable certainty when the contract price is established, such as certain classes of agreements for personal services, for the purchase of real property, perishable goods, or commodities the minimum price for the sale of which has been fixed by a public regulatory body, of leases and license agreements, and of agreements where the period of performance under such contract or subcontract will not be in excess of 30 days;

(C) any contract or subcontract or performance thereunder during a specified period or periods, if in the opinion of the Board, the provisions of the contract are otherwise adequate to prevent excessive profits;

(D) any contract or subcontract for the making or furnishing of a standard commercial article, if, in the opinion of the Board, competitive conditions affecting the sale of such article are such as will reasonably protect the Government against excessive prices;

(E) any contract or subcontract, if, in the opinion of the Board, competitive conditions affecting the making of such contract or subcontract are such as are likely to result in effective competition with respect to the contract or subcontract price; and

(F) any subcontract or group of subcontracts not otherwise exempt from the provisions of this section, if, in the opinion of the Board, it is not administratively feasible in the case of such subcontract or in the case of such group of subcontracts to determine and segregate the profits attributable to such subcontract or group of subcontracts from the profits attributable to activities not subject to renegotiation.

The Board may so exempt contracts and subcontracts both individually and by general classes or types.

(j) Nothing in sections 109 and 113 of the Criminal Code (U. S. C., title 18, secs. 198 and 203) or in section 190 of the Revised Statutes (U. S. C., title 5, sec. 99) shall be deemed to prevent any person by reason of service in a department or the Board during the period (or a part thereof) beginning May 27, 1940, and ending 6 months after the termination of hostilities in the present war, as proclaimed by the President, from acting as counsel, agent, or attorney for prosecuting any claim against the United States: *Provided*, That such person shall not prosecute any claim against the United States (1) involving any subject matter directly connected with which such person was so employed, or (2) during the period such person is engaged in employment in a department.

(k) Nothing in this section shall be construed to limit or restrict any authority or discretion of the Secretary of a department under the provisions of any other law.

(l) This section may be cited as the "Renegotiation Act."

Mr. CORDON. Mr. President, the renegotiation provisions in the supplemental bill are limited in their application to contracts made under the contract authority in that bill, or contracts the payment for which will be made with funds appropriated in that bill. The renegotiation provisions go no further than that.

Perhaps we shall have to give our attention to the preparation and enactment of a more adequate Renegotiation Act. This provision, however, came into the bill, as has been explained to the Senate before, as the result of an amendment on the House side, and represents the application of the principles of renegotiation to the moneys included in

this appropriation, the contract authority in this appropriation, and such funds as may be consolidated with the funds herein appropriated. As I understand, those funds are to be used for procurement purposes in connection with the increase in the Air Force, in the Naval Air Force, and in connection with certain items of Army matériel. They do not apply to supplies. So the act would not apply, for example, to petroleum procurement, although I readily understand that the Senator from Maine may well feel concerned that the principle which was applied should not be applied even to a different type of procurement.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. BREWSTER. I tried to make it clear that I was under no delusion as to the scope of this act, though I was very much concerned, as I indicated, about the principle involved. I hope I am correct in the impression that if any Member of the Senate, and particularly of the Appropriations Committee, should find a situation in which 250 percent profit was being allowed on a vast volume of purchases by our Government, he would consider it greatly excessive. That was the exact situation with which we were presented. That is why I felt, in the application of what we are pleased to term the Renegotiation Act of 1948, that it should be as clear as this body can make it that no such formula should be applied in procurement under the terms of this act.

Mr. CORDON. I appreciate the Senator's statement. I wish to add only that should the Congress deem it wise to reenact some general renegotiation act to apply to Federal contracts, we should especially direct our attention to the establishment of standards which are essential in any good legislation by which even a poor servant must necessarily measure his acts.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New Hampshire [Mr. BRIDGES].

Mr. BRIDGES. Mr. President, before the motion is put, let me say that this is the final conference report agreeing to an airplane procurement program for both the Air Force and the Navy, and that in general it provides for a systematic modernization of both the Air Force and the Air Force of the Navy. There was no controversy between the House and Senate on most of the features of the bill. The controversies were only on relatively minor matters. Therefore the conference report is practically unanimous, and I think is a step in the right direction for the protection of the safety and security of our country.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New Hampshire [Mr. BRIDGES] that the Senate concur in the House amendment to Senate amendment No. 10.

The motion was agreed to.

HIGHLAND FALLS, N. Y., WATER-FILTRATION PLANT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2359) to authorize the payment of a lump sum, in the amount of $100,000, to the village of Highland Falls, N. Y., as a contribution toward the cost of construction of a water-filtration plant, and for other purpose, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WHERRY. Mr. President, this bill was passed by the Senate a few days ago during the call of the calendar, and there is a disagreement between the House and the Senate, so I move that the Senate insist on its amendments, agree to the conference asked by the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. GURNEY, Mr. BALDWIN, and Mr. MAYBANK conferees on the part of the Senate.

THE PALESTINE QUESTION

Mr. MURRAY. Mr. President, in the House of Representatives, the Foreign Affairs Committee is engaged in discussions on how the United Nations may be made to work better. Without encroaching on the prerogatives of that committee, let me say that there is a matter now engaging world public attention which entitles us to give an answer to the inquiry of the House. The answer is that if the United Nations is to serve as an instrument of the collective will for peace, then we, the United States, should be the first to recognize and lend authority to its decisions. I refer to the fact that on November 29 last, two-thirds of the members of the United Nations, following the leadership of the United States, voted to resolve the Palestine question through partition with economic union. Since that time, we seem to have taken the initiative in trying to immobilize that resolution, and even to rescind it.

In the House of Representatives, and elsewhere, there has been considerable discussion of the uncontrolled and unjustified use of the veto. Whether we have mentioned her by name or not, the finger has always been pointed at the Soviet Union. The time has come, however, to recognize that on this Palestine question the most cynical and unjustified and completely self-serving use of the veto has been practiced by another great power. That power is Great Britain.

The situation which prevails today in Palestine can be laid at the door of Great Britain and its deliberate sabotage of the decision of the United Nations. In that sabotage it has had, and continues to have, regrettably, the cooperation of our own State Department.

The result is that what only 5 months ago was the one great constructive act of the United Nations is being transformed into the weapon by which the United Nations could be destroyed. I have in my hand the conclusive proof of Britain's deliberate sabotage. It is the truth told in the documents of British Military Intelligence in the Middle East and other British official sources. These documents are incorporated in a memorandum submitted to the United Nations, and to the President of the United States, on April 30 by The Nation Associates, the distinguished head of which is Freda Kirchwey, editor of The Nation.

The facts produced show clearly that the situation which exists in Palestine today is the result of British sabotage in order to insure base rights for the British in Palestine, as well as to safeguard British oil, trade, and military interests in the Middle East. And I underscore the word "British."

To achieve these ends the British have allied themselves with the Arab League. The revolt could not have taken place without British connivance which is reflected in the continued arming of the Arab states and in the failure to stop the Arab invasion. Is it not ridiculous to think that the British military force, consisting last December of 80,000 men, one of the most modern armies in the world, could not have stopped the so-called invasion of Arab volunteers?

The memorandum in my hand produces the documentary evidence to show British complicity and that:

First. British representatives attended the meeting of the Arab League where the Arab revolt was first planned, and that the British representative in Egypt, Brigadier P. A. Clayton, regularly attends the league meetings.

Second. The British first suggested the use of volunteers in the Arab invading forces, instead of the regular armies of the Arab states, as a means of avoiding United Nations complications.

Third. British Intelligence is aware of every move of the invading forces in Palestine.

Fourth. The British in Palestine have sent messages to Arab leaders requesting them to ask the invaders to be "as unobtrusive as possible."

Fifth. The Arabs have instructions not to attack the British.

Sixth. In the opinion of the British Military Intelligence, the Arab invaders are a pacifying and stabilizing force.

Seventh. The British have deliberately kept the Arab legion in Palestine to harass the Jews.

Eighth. As far back as February 13, the British knew of King Abdullah's plan to take over Palestine; and under past and current treaties, the Arab legion could not make a single move without British knowledge and consent.

Ninth. The British knew of an effort between Arabs of Haifa to get the Mufti's consent to have Haifa declared an open city, but made no move to assure this when the Mufti declined to do so.

BRITISH DISSIPATE ASSETS

Another section of the document deals with the steps of the Palestine administration to dissipate the assets of the country, on the assumption that at the termination of the mandate a vacuum would be created, and there would be no successor government.

The memorandum presents documents to show that as far back as December 1947, the attention of the chief secretary of Palestine was called to the imminent collapse of the railway and port system. The system has since collapsed.

It also presents official correspondence to show that as far back as last January, 4 months before the Jerusalem water-supply pipe line was mined by the Arabs, the British were aware not only of the danger to the system, but that foreign Iraqui invaders had taken it over.

Evidence is produced to show how the British have induced an artificial deficit.

Information is presented for the first time as to the fashion in which the British have sold state domains, in most instances to the Arabs.

The evidence is conclusive that the British have deliberately created chaos in Palestine in order to force the United States to discard partition and to embark on a policy of appeasement of the Arab world. The reasons for that have nothing to do with our common interests. They relate entirely to the desire of the British Government to retain exclusive control in Palestine, for the British Government has an agreement with the Arab League that if partition is discarded, it, the British Government, will receive base rights in Haifa, the Negev, and Galilee. Within a month after the partition resolution, Foreign Minister Bevin, of Great Britain, was assuring the Lebanese Government that partition would be supplanted by a federal state. I have before me the report which the Lebanese envoy in London sent to his Foreign Minister on a conversation with Bevin. This report, dated December 29, 1947, indicates clearly Bevin's intention to permit a revolt in which he hoped the Jews would be defeated, and thus the way paved for abandoning partition.

In this report, Victor Khouri, the Lebanese envoy, states that official British Government circles believe that—

> The Arabs and Jews would remain alone face to face with the facts. The result would then be the attainment of a solution of the question on the basis of a federal state.

Mr. Khouri also said, in reporting on his conversation with Foreign Minister Bevin on December 23, 1947:

> In the course of the conversation we discussed the Palestine question. He told me that he was convinced that but for American intervention, it would have been possible to reach a satisfactory solution. I believe by that he was thinking of a decentralized federal constitution.

But Mr. Bevin guessed wrong. The Arabs have not been able to defeat the Jews. On the contrary, the Arabs are on the run; the Jews have not lost a single settlement; partition is a fact. The Jewish state will be proclaimed on May 16.

That is why the British are making their last-minute stand in behalf of the Arabs. That is the only explanation for the sudden return to Palestine of several thousand British troops and their show of force. It is to prevent complete Arab defeat. The British have never been concerned with anything except their own security in Palestine and the defeat of the Jews. The conclusive evidence is to be found in a letter dated March 6, 1948, marked "Top secret," signed by E. D. Horne, acting for the Chief Secretary of Palestine, a communication sent to all the British district commissioners of Palestine, which states:

> I am directed to inform you that the Central Security Committee discussed at its last meeting the increasing freedom with which armed Syrians and other members of the Arab Liberation Army appear and congregate in public places and thoroughfares in and near Jerusalem.
>
> It is the opinion of the committee that this development greatly increases the risk of clashes taking place between these persons and the security forces and I am to request that you will take whatever steps are possible to bring this danger to the notice of Arab leaders who would be well advised to secure that the foreign soldiers remain as unobtrusive as possible.

There were no British reinforcements on hand on April 13 when a Hadassah medical convoy, flying a medical symbol, was attacked by Arabs within full sight of a British Army post, in the course of which attack 76 persons were killed and 20 wounded. The casualties included the director of the Hadassah hospital, Dr. H. Yassky, other doctors, nurses, and other medical personnel. The attack took place at a distance only 10 minutes' travel from the heart of Jerusalem. Not only did the British refuse their own help, but they instructed the Haganah not to send reinforcements, and allowed 5½ hours to elapse before they brought the Red Cross representative to the area to arrange a truce.

Last Friday, Colonial Secretary Creech Jones asked for the appointment of an interim authority until the Jews and the Arabs could come to an agreement and to conserve the assets. It is not difficult to fathom the hypocrisy behind this proposal. In the first place, the British have taken good care to dissipate the assets of Palestine. In the second place, if an interim authority is required, why is not the Palestine Commission of the United Nations recognized as such? That is precisely the purpose for which it was created last November. Of course, the answer is obvious: This is another way of destroying partition, by bypassing the Palestine Commission and embarking upon a new procedure which will not lead to recognition of partition. This is the British plan.

What of the American plan? The American plan, I am sorry to say, seems to lead to similar results. Five months ago the American Government led the fight for partition. Now the State Department leads the fight to destroy partition. The American Government initiated the proposals which led to the current special session of the United Nations, which may serve the purpose of destroying partition, despite the American Government's continued lip service to the principle of partition. The American Government ignores the existence of a foreign invasion of Palestine. Not one word of warning has been issued to the Arab states who daily defy the recommendations of the overwhelming majority of the nations of the world as expressed in the United Nations General Assembly's vote last November. Not one word of censure is uttered to the British Government, which ignores the vote of the United Nations General Assembly.

Pressure is reserved for the Jews, who are warned that unless they accept State Department plans, the consequences will be dire for the Jews in Palestine and even for those in the United States. The threats implied are unworthy of the American Government, and cannot have its support.

Now the State Department says there should be no government in Palestine until there is Arab-Jewish agreement on its nature—this despite the incontrovertible fact that the Jews have followed the General Assembly's decision in setting up the apparatus of a state.

Despite the Arab revolt and British and American pressure, the Jews are holding out superbly. Such an unbiased spokesman as the head of the Palestine Commission of the United Nations, Dr. Karel Lisicky, and Dr. Pablo Azcarate, the head of the Palestine Commission's advance party in Palestine, have reported that partition exists and that the Jews are carrying on the functions of government in their own area. Therefore, to talk of a reversal of partition is nonsensical unreality, if nothing worse.

In this morning's Washington Post, seven distinguished representative spokesmen of the American community have addressed an open letter to President Truman asking:

First. United States recognition of the Jewish state on May 15, at the mandate's end.

Second. A loan to that state.

Third. Trusteeship for the Arab areas of Palestine, pending the creation of an Arab government.

Fourth. A general embargo on the shipments of arms to the states comprising the Arab League.

Fifth. A recommendation to the Security Council to recognize that the aggression of the Arab states is a threat to peace.

Sixth. Recognition of Haganah and supplying of arms to it.

The signatories are: Henry A. Atkinson, who is the secretary of the Church Peace Union; Bartley C. Crum, a member of the Anglo-American Committee of Inquiry, and now publisher of PM; Leon Henderson, former director of the OPA, who is now the national chairman of Americans for Democratic Action; Freda Kirchwey, editor of The Nation and president of The Nation Associates; Philip Murray, president of the CIO; James G. Patton, president of the Farmers Educational and Cooperative Union; and T. O. Thackrey, editor and publisher of the New York Post and Home News.

This is a program with which I think the Congress of the United States should be fully associated. It is a practical program; it is a just program; it is in accord with the traditional policy of this country on Palestine; and it is the recognition of the practical aspects of the current situation.

I have risen to speak today because I believe this moment to be a crucial one for the United States and the United Nations. May 15, the date by which Great Britain is supposed to relinquish her mandate over Palestine, is but a few

short days away. The present vacillations of our representatives at the United Nations have no sanction from Congress or from the American people. The action of the State Department is not in accord with the expressed policy of the President of the United States or the legal position of this country. The State Department has not asked for or received permission to reverse the decision, many times affirmed, of the United States to see established in Palestine a Jewish commonwealth. There is no moral justification for such a reversal.

It is the duty of the Members of this august body to call for a new directive to the American delegation to take the leadership in securing implementation of the November 29 resolution. Coupled with this directive must be a firm warning to both the British and Arab Governments.

This is the only realistic way of reestablishing the prestige of the United States and the authority of the United Nations. It is the only way to end the current peril to peace and security.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a very fine editorial dealing with this matter, published in the Washington Post of May 10.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PALESTINE: A NEW APPROACH

Speculation on what is meant by the Presidential reappointment of General Hilldring as Special Assistant Secretary of State in charge of Palestine affairs is world-wide. "What's cooking now?" would be the American idiom of the speculation. General Hilldring is a partitionist. He is a man without a trace of the military psychology which hampers the judgment of military men in dealing with the business of our public affairs. Ideally he should be appointed Ambassador at Large to the Middle East, where the United States is represented around Palestine by men of little minds, men steeped in either oil or their Arab-British environment.

Since the American back-down on Palestine in February the United States has gone from expedient to expedient. And it has always been too late. Such is the tempo of events that the administration remains constantly behind the eight ball. History has been written not at Lake Success but in Palestine, and an entirely new situation has been created. The Jews have made a demonstration of their independence familiar enough in our own history. Palestine has been partitioned by Jewish arms and Jewish determination. In the struggle they have punctured the balloon of Arab power which was sedulously circulated by the anti-partition members of the State Department and the Foreign Service after the UN (led by the United States) declaration of partition policy, November 29.

These officials used to tell all and sundry that partition was criminal because the Jews were courting extermination, and would let in the Russians to save themselves. Now they are saying that the Arabs are in the same danger.

When they were not talking a crocodile humanitarianism they were talking a phony strategy. The United States, they said, must protect middle-eastern oil, particularly the contemplated pipe line from the Persian Gulf to the Mediterranean. Yet the pipe line has now been abandoned as plain silly; a couple of recalcitrant Arabs, a couple of recalcitrant Jews, could spike a pipe line. Tankers, it is now recognized, are the better, the more strategic, the more economical way of getting oil out of the Middle East. This is what the layman has been saying—before the diplomat, the oil man, and the general came to the same conclusion. But the oil argument had done its work in paralyzing American policy on Palestine.

The low estate to which American foreign policy has been dragged by all these maneuvers is pretty shocking. Equally disturbing is that our backing and filling has injured the United Nations. What is happening at Lake Success is a reminder of the Ethiopian dispute of 1936. That dispute killed the League of Nations. Palestine is strangling the United Nations. In Lake Success, talk; in Palestine, action. Every American has a vested interest in the United Nations. He must raise his voice against the State Department for degrading it.

Wisdom is said to be attention to realities, and the time has long since passed when we ought to catch up with realities.

We suggest that instead of lagging behind history we get in front of it. That is to say, we should make history, as our world power requires. Events have shown that the situation is middle eastern, not Palestinian. The Arab League, which any hour was supposed to be blowing the trumpet of a holy war, is advertised as made of gingerbread. It is our guess that this revelation has had wide repercussions throughout the Middle East. Turkey, for instance, must be full of qualms. That country is weakened in its war of nerves with Russia by the military demonstration of this Arab no-man's land in the Middle East and must be wondering whether Russia will take advantage of it.

Another result is the bankruptcy of the Glubb-Clayton diplomacy. Glubb [Pasha] is the Briton who is King Abdullah's adviser. Without him Abdullah is helpless and would not think of any invasion of Palestine. Brigadier Clayton is Britain's adviser on Arab affairs in Cairo. The Arab League is virtually Glubb and Clayton, dreamers of and 24-hour workers for a Pan Arabia under the British thumb. They have been trying to shake the tail of the outmoded empire that Wendell Willkie excoriated in One World. Their heads are in the nineteenth century. Glubb is the more forceful of the two. Like Cato, he decreed that the French were to be driven out of the Middle East, and he clearly wants to drive out the Zionists. Events have upset his grandiose scheme and have exposed the impossibility of establishing a Pan Arabia on the Glubb-Clayton model.

How different these men from the Lawrences and Wingates who used to deal with Arab affairs. They worked for harmony instead of discord, construction instead of destruction. "I am decidedly in favor of zionism," wrote T. E. Lawrence. "Indeed, I look on the Jews as the natural importers of that western leaven which is so necessary for the countries of the Near East. . . The success of their scheme will involve inevitably the raising of the present Arab population to their own material level, only a little after themselves in point of time, and the consequences might be of the highest importance for the future of the Arab world."

One of these days the Glubb-Clayton machinations will be obvious to the British people. The British will find, we think, that the duo have been operating without check from London. For it is our conviction that the Colonial Office in London has lost control. We have it on unimpeachable authority that the day before British reinforcements were returned to the Middle East, Colonial Secretary Creech-Jones was insisting at Lake Success that the withdrawal from Palestine would proceed as scheduled. Creech-Jones, a former partitionist, is an honest man. The inference is that he did not know what was going on.

The time has come to initiate a Middle East diplomacy of our own. We must stop being the tail of the Glubb-Clayton kite. Let us find a contact with the Arab League other than through this medium, preferably, as we say, by appointing an ambassador-at-large. The object should be to lay the foundation of a Mediterranean confederation, including Turkey and Iran. After all, this country precipitated European federation. Why cannot the idea be explored, beginning with the Arab League, of a Mediterranean union? There is hope of some imaginative approach in the appointment of General Hilldring. He has never faltered, as the administration has, and he has the only equipment, in our knowledge, among the President's Middle East advisers that is capable of statesmanship.

THE MEDICAL PROFESSION AND THE CONGRESS CAN WORK TOGETHER

Mr. MAGNUSON. Mr. President, three incidents which occurred last week can mean, I believe, a great deal for the future welfare of our people and of their doctors. Because their implications can mean much to the Members of the Congress and to the doctors of this country, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a statement I have prepared under the title "The Medical Profession and the Congress Can Work Together."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I should like to call to the attention of Senators some events which occurred last week and which bode extremely well for the future welfare of our people and their doctors.

The first was the successful conclusion of the National Health Assembly during which doctors—representatives of the American Medical Association—meeting together with representatives of farm groups, of labor, of Government, and of lay organizations operating in the field of health, found that they could reach sincere and effective agreement in great areas affecting the health of our people. The highly paid propagandists of the National Physicians' Committee who, in full-page advertisements, and purportedly speaking for the doctors of America, had attacked the assembly, stayed home. The doctors themselves came, and found the people and their governmental representatives eager to work with them and anxious to do nothing which would in any way hurt the prestige, the freedom, or the economic position of our doctors. At the close of that assembly, the official representative of the American Medical Association telegraphed the following:

"My sincere congratulations on the best meeting of its kind I have ever attended in Washington."

The second hopeful incident lies in the unanimous and favorable report of the Subcommittee on Health to the Senate Committee on Labor and Public Welfare, of Senate bill 2215—the national heart bill. In this instance the doctors actually working in the field of heart diseases found that by sitting down with the lay groups concerned and with their Representatives in the Congress, a legislative program completely acceptable to the doctors and to everyone else could easily be worked out. Here again the propagandists, who depend for their lush living on keeping our doctors distrustful of the motives of their Government and of the people, were kept out of the picture. The result was a program eminently satisfactory to the doctors and to the people.

In this connection I include in the RECORD at this point an editorial which appeared in the highly influential Washington Post on May 7. It commends our esteemed colleague,

Senator MURRAY, of Montana, for a recent service he rendered the professions of medicine and of journalism.

The editorial reads as follows:

[From the Washington Post of May 7, 1948]

"PRESS BRIBERY

"Senator JAMES E. MURRAY rendered a service to two professions—medicine and journalism—in exposing last week the sordid propaganda tactics of the National Physicians' Committee, an undercover instrument of the American Medical Association. The committee sponsored a cartoon contest, offering eight prizes totaling $3,000 for the best cartoons attacking the idea of a national health insurance program. As Editor and Publisher, journalistic trade paper, put it in commenting on the contest when it was first announced, "The 'contest' rules leave no doubt that this is a subtle bribe to cartoonists to support or oppose certain political beliefs (according to how you look at it) and to obtain general circulation for those beliefs in newspapers and magazines." The catch in the contest is the requirement that the cartoon must first have been published to receive consideration for an award.

"It is improbable that any reputable cartoonist or newspaper will fall for this egregious insult to journalistic integrity. Its evil effects will be felt more by medicine than by the press. For the members of the AMA, an overwhelming majority of whom we are sure would take no conscious part in this attempt at corruption, are subject to its shame. Here if a form of malpractice which the doctors can best cure by excising its source. Their ideas and interests need better—and more honest—representation than they have received from the National Physicians' Committee.

"You and I, who long known of Senator MURRAY'S sincere interest in finding a solution to the problem of paying for medical care, know that he believes it can be done in a way as satisfactory to the doctors as to the people. We know that Senator MURRAY has proved that in the various bills in which he is a cosponsor—his cancer bill, his mental hygiene bill, his work on the hospital construction bill and on the heart bill. We know he is thoroughly opposed to the socialization or regimentation of the medical profession. We know that he, together with five of our other colleagues, is sponsoring a national health insurance bill because his long experience in this field and his knowledge of how strong is the pressure of the people in demanding a better way of paying for medical care, have convinced him that national health insurance will both meet that demand and save our doctors from the socialization of medicine. You and I know that Senator MURRAY is for health insurance because he is opposed to state medicine.

"We here in the Senate know it. But I am afraid that the doctors of America, flooded with propaganda from self-seeking exploiters of both the doctors and the public, do not. Therefore, in view of last week's occurrences, I want to take this opportunity to urge our doctors to have their representatives aid, instead of oppose, Senator MURRAY'S attempts to draft a bill which will meet both the needs of our people and the perfectly justified demands of the doctors that their prestige, their civil and professional freedom, and their economic status be fully protected.

"I know Senator MURRAY has requested and still seeks that cooperation. If it is forthcoming, I know the result will be completely acceptable to the doctors, the Congress, and to the people. I know that even without the doctors' cooperation, Senator MURRAY has written into his health-insurance bill specific provisions for local control, not Federal control, and for specific guaranties to protect both the patient's freedom of choice and the doctor's full professional and economic freedom. Those provisions may already be sufficiently specific. I do not know. But I do know that if the doctors of America will cooperate with Senator MURRAY, those guaranties will be ironclad.

"I myself have not studied the pros and cons of national health insurance. The bill has not been reported from committee. I do not pretend to know the answers. But I do know that Senator MURRAY has worked with the people and the dentists on his dental-research bill, and the results are gratifying to all; he has worked with the cancer specialists and the heart specialists, and the results have been most satisfactory to all. So, if on the broader question of assuring medical care to all, he can have the sincere cooperation of the doctors, then that problem, too, can be solved to the satisfaction and profit of the people and of their doctors.

"If that cooperation is forthcoming, then we in the Congress and our friends the doctors can, together with the American people, forever forget the threat of state medicine, for of one thing we can be sure: In this Congress there is no more sincere and effective proponent of the American way of doing things than Senator MURRAY. He fights regimentation with deeds, rather than with words. The time for our doctors to aid him in that fight is now, for it is later than they think. Good times do not last forever. Given the slightest sign of depression, demagogic demands for state medicine might prove overwhelming. Senator MURRAY believes that prepaid medical care is the only defense against the socialization of medicine. I urge our doctors to help him develop a mutually satisfactory defense. I am sure it can be done."

LEGISLATIVE PROGRAM—RECESS

Mr. WHERRY. Mr. President, the pending question, as I should like to have the RECORD show, if the present occupant of the Chair agrees with me, is the motion of the junior Senator from Oregon to refer House Joint Resolution 334.

The ACTING PRESIDENT pro tempore. The question before the Senate is on agreeing to the motion of the Senator from Oregon [Mr. MORSE] to refer House Joint Resolution 334 to the Committee on the Judiciary.

Mr. WHERRY. The conference report which has been under discussion recently this afternoon has this afternoon been disposed of, I believe.

The ACTING PRESIDENT pro tempore. Yes; all those matters have been disposed of and approved.

Mr. WHERRY. Inasmuch as the motion to refer House Joint Resolution 334 has been made, and is the pending question, I should like to call the attention of the Members of the Senate, for the RECORD, to the fact that we are about to take a recess. I hope it will be possible tomorrow to conclude the speeches on this motion, at least. I understand there will be four or five speeches on the motion. It seems to me that if we can possibly reach a vote on the motion by tomorrow night, that will be most advantageous.

If the motion prevails, of course that will end the debate on the joint resolution, and some new matters will then come before the Senate.

If the motion to refer prevails, it is my hope to have the civil functions appropriations bill made the unfinished business, and then to have the Senate take a recess until Thursday, so that that matter can be presented on Thursday of this week.

If the motion to refer does not prevail—and if I am not correct I hope the present occupant of the Chair will correct me—then the Senate will return to the consideration of the amendment offered by the Senator from Wisconsin [Mr. WILEY], which is a substitute for the Ives amendment. Is that correct?

The ACTING PRESIDENT pro tempore. The Chair is of the opinion that the Senator from Nebraska has correctly stated the situation: namely, that first the motion made by the Senator from Oregon must be disposed of; and if the vote on it is negative, the Senate will return to the consideration of the amendment previously offered by the Senator from Wisconsin.

Mr. WHERRY. Yes. Of course, if that occurs, I think there will be no chance for the Senate to take up the civil functions appropriation bill on Thursday, and I doubt that it will be possible to take it up on Friday.

I think the statements which have just been made give the Senate a fair idea of the program for the near future.

At this time I should like to have the Senate take a recess in view of the fact that 2 weeks ago it was agreed that the clerks of the Senate would meet this afternoon in the caucus room in the Senate Office Building with the administrative assistants and office staffs of Senators and Senate committee staffs to study the process incident to the introduction and passage of bills and other legislative procedures, and to do some laboratory work in that connection.

So, Mr. President, if there is no further business to come before the Senate today, I now move that the Senate take a recess until tomorrow, Wednesday, at noon.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 12, 1948, at 12 o'clock noon.

NOMINATION

Executive nomination received by the Senate May 11 (legislative day of May 10), 1948:

DIPLOMATIC AND FOREIGN SERVICE

George P. Shaw, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 11, 1948

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed be the Lord God of Israel, before whom we bow in humblest reverence. We praise Thee and trust Thee as our loving Heavenly Father. Thou art the saving power hanging over all the things of time. The smallest sparrow that flutters and falls is cared for by the sublime tenderness of Thy love.

Mercifully regard those who prosper and are happy; lead them to understand

that every man's surplus is another's need; may their overflow of comfort and contentment give blessings of cheer and hope. Regard in great favor those who have been assigned to the great tasks of public duty and obligation. Give them strength and vision to do Thy will. In our Redeemer's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 107. An act for the acquisition and maintenance of wildlife management and control areas in the State of California, and for other purposes;

H. R. 338. An act for the relief of Amin Bin Rejab;

H. R. 345. An act for the relief of Ollie McNeill and Ester B. McNeill;

H. R. 817. An act for the relief of Andres Quinones and Letty Perez;

H. R. 831. An act for the relief of George Chan;

H. R. 1022. An act for the relief of Peter Bednar, Francisca Bednar, Peter Walter Bednar, and William Joseph Bednar;

H. R. 1189. An act to establish the methods of advancement for post-office employees (rural carriers) in the field service;

H. R. 1392. An act for the relief of Mrs. Charlotte E. Harvey;

H. R. 1562. An act to increase temporarily the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States;

H. R. 1653. An act for the relief of Edward W. Bigger;

H. R. 1724. An act to legalize the admission to the United States of Sarah Jane Sanford Pansa;

H. R. 1749. An act to amend the act entitled "An act for the relief of Johannes or John, Julia, Michael, William, or Anna Kostiuk";

H. R. 1953. An act for the relief of John F. Reeves;

H. R. 2000. An act for the relief of Jeffersonville Flood Control District, Jeffersonville, Ind., a municipal corporation;

H. R. 2418. An act for the relief of Luz Martin;

H. R. 3189. An act for the relief of Joe Parry, a minor;

H. R. 3224. An act for the relief of Frank and Maria Durante;

H. R. 3608. An act for the relief of Cristeta La-Madrid Angeles;

H. R. 3740. An act for the relief of Andrew Osiecimski-Czapski;

H. R. 3787. An act for the relief of Mrs. Maria Smorczewska;

H. R. 3824. An act for the relief of Mrs. Cletus E. Todd (formerly Laura Estelle Ritter);

H. R. 3880. An act for the relief of Ludwig Pohoryles;

H. R. 4018. An act authorizing the transfer of certain real property for wildlife or other purposes;

H. R. 4050. An act to record the lawful admission to the United States for permanent residence of Moke Tcharoutcheff, Lucie Baptistine Tcharoutcheff, Raymonde Tcharoutcheff, and Robert Tcharoutcheff;

H. R. 4068. An act to authorize the Federal Works Administrator to construct a building for the General Accounting Office on square 518 of the District of Columbia, and for other purposes;

H. R. 4129. An act for the relief of Jerline Floyd Givens and the legal guardian of William Earl Searight, a minor;

H. R. 4130. An act for the relief of Dennis (Dionesio) Fernandez;

H. R. 4631. An act for the relief of Antonio Villani;

H. R. 5035. An act to authorize the attendance of the United States Marine Band at the Eighty-second National Encampment of the Grand Army of the Republic to be held in Grand Rapids, Mich., September 26 to 30, 1948;

H. R. 5118. An act to authorize the sale of certain individual Indian land on the Flathead Reservation to the State of Montana;

H. R. 5137. An act to amend the Immigration Act of 1924, as amended;

H. R. 5262. An act to authorize the sale of individual Indian lands acquired under the act of June 18, 1934, and under the act of June 26, 1936;

H. R. 5543. An act granting the consent of Congress to Carolina Power & Light Co. to construct, maintain, and operate a dam in the Lumber River;

H. R. 5651. An act authorizing the Secretary of the Interior to convey certain lands in South Dakota for municipal or public purposes;

H. R. 5805. An act to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; and

H. R. 5963. An act to authorize the construction of a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1878. An act to amend the immigration laws to deny admission to the United States of persons who may be coming here for the purpose of engaging in activities which will endanger the public safety of the United States;

H. R. 2359. An act to authorize the payment of a lump sum, in the amount of $100,000, to the village of Highland Falls, N. Y., as a contribution toward the cost of construction of a water-filtration plant, and for other purposes;

H. R. 3219. An act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policemen for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes;

H. R. 3350. An act relating to the rules for the prevention of collisions on certain inland waters of the United States and on the western rivers, and for other purposes;

H. R. 3505. An act authorizing an appropriation for investigating and rehabilitating the oyster beds damaged or destroyed by the intrusion of fresh water and the blockage of natural passages west of the Mississippi River in the vicinity of Lake Mechant and Bayou Severin, Terrebonne Parish, La., and by the opening of the Bonnet Carre Spillway, and for other purposes;

H. R. 3510. An act to authorize the construction, protection, operation, and maintenance of a public airport in the Territory of Alaska;

H. R. 3566. An act to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes;

H. R. 4236. An act to amend the Civil Service Act to remove certain discrimination with respect to the appointment of persons having any physical handicap to positions in the classified civil service;

H. R. 4721. An act to remove the statutory limit of appropriation expenditures for repairs or changes to a vessel of the Navy;

H. R. 4892. An act to amend the act of July 23, 1947 (61 Stat. 409) (Public Law No. 219 of the 80th Cong.);

H. R. 5193. An act to amend the Nationality Act of 1940;

H. R. 5669. An act to provide for adjustment of irrigation charges on the Flathead Indian irrigation project, Montana, and for other purposes; and

H. R. 6067. An act authorizing the execution of an amendatory repayment contract with the Northport Irrigation District, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3. An act to provide for the training of air-traffic-control-tower operators;

S. 153. An act authorizing the Secretary of the Army to have prepared a replica of the Dade Monument for presentation to the State of Florida;

S. 668. An act for the relief of Philip Sumampow;

S. 1703. An act for the relief of Lorraine Burns Mullen;

S. 1979. An act authorizing and directing the Fish and Wildlife Service of the Department of the Interior to undertake certain studies of the soft-shell and hard-shell clams;

S. 2060. An act for the relief of Edgar Wikner Percival;

S. 2077. An act to authorize the Secretary of the Army to exchange certain property with the city of Kearney, Nebr.;

S. 2152. An act to increase the maximum travel allowance for railway postal clerks and substitute railway postal clerks;

S. 2223. An act to authorize the promotion of Lt. Gen. Leslie Richard Groves to the permanent grade of major general, United States Army, and for other purposes;

S. 2224. An act to amend the Veterans' Preference Act of 1944 with respect to the priority rights of veterans entitled to 10-point preference under such act;

S. 2233. An act to authorize the Secretary of the Navy to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of a water main in and under certain Government-owned lands comprising a part of the United States air station, Alameda, Calif.;

S. 2291. An act to authorize the Secretary of the Army or his duly authorized representative to quitclaim a perpetual easement over certain lands adjacent to the Fort Myers Army Airfield, Fla.; and

S. 2432. An act to amend the Alien Registration Act of 1940.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5933. An act to permit the temporary free importation of racing shells.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MILLIKIN, Mr. BREWSTER, and Mr. BARKLEY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. RAMEY asked and was granted permission to extend his remarks in the

RECORD and include an article on the St. Lawrence waterway.

Mr. MERROW asked and was granted permission to extend his remarks in the RECORD and include House Concurrent Resolution 190, which he introduced on April 27, 1948, with reference to foreign policy.

VOLUNTARY ENLISTMENT VERSUS THE DRAFT

Mr. TWYMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therewith a letter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. TWYMAN]?

There was no objection.

Mr. TWYMAN. Mr. Speaker, this morning I received a thoughtful letter from two boys who live in my block at home. These boys are typical, I think, of many American boys. They would not hesitate to enlist in the Army voluntarily if they could enlist on the same basis as is proposed under the compulsory plan. Actually, the Navy, the Marine Corps, and the Army Air Forces are having no trouble meeting their enlisted personnel quotas on a voluntary basis. As far as they are concerned, there is no need to consider compulsory military training or reenactment of the draft. All of the difficulty seems to be with the ground forces of the Army, and these difficulties seem to be due to the types of enlistments they offer. The shortest enlistment is a 2-year enlistment, which means that the volunteer will be unassigned and is assured of no training other than the original basic training. The Army would do well to consider the letter which I quote herewith:

MAY 6, 1948.

DEAR MR. TWYMAN: We are graduating from high school this spring, and although we intend to go to college, we are considering enlistment in one of the armed forces. We inquired and learned that the minimum period is 3 years for all branches. We feel, since there is a great need for men in the services, that inducement should be greater. We consider 3 years too long if one is to attend college.

It is our opinion that a shorter enlistment, 18 months or 2 years, would be more attractive. There are others who think as we do, and who would join if it did not require 3 years.

We think that a short period in the service would make us more mature and thereby give us a greater appreciation of a college education.

We recommend that the enlistment period be cut down to 18 months or 2 years. If you consider the matter from our point of view, we feel that you will agree with us.

Thanking you for your consideration, we remain,

Yours truly,

GERALD GRANT, JR.
R. CHESTER OTIS III.

EXTENSION OF REMARKS

Mr. WHITTINGTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address delivered by Oris V. Wells, Chief of the Bureau of Agricultural Economics, before the Delta Council of Mississippi.

AIR-LINE RATE COMPETITION FROM EUROPEAN SOCIALISM

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, American trans-Atlantic air lines are up in the air in more ways than one. Most of them have been making a very satisfactory profit. Some have even hoped to develop mass air travel to Europe by further lowering rates. That has been the traditional way for American business enterprises to pass on new efficiencies to consumers, but it is not the European socialist's way. The British and French air lines are government-owned monopolies. They have been operating with heavy deficits. They have felt that trans-Atlantic rates should be raised so they asked our Government, under the Civil Aeronautics Board, to approve rate increase.

Did the CAB follow the wishes of the American companies? Did the CAB allow competition under free enterprise to settle the matter in favor of the traveler?

No, sir.

Deciding in favor of the British and French plea, the CAB has recently raised trans-Atlantic air rates by $25. Once again the American citizen is asked to subsidize the Socialist governments of Europe.

Mr. Speaker, how long are American taxpayers going to let foreign governments tell us what we have to do to maintain their Socialist governments?

The Saturday Evening Post suggests that every trans-Atlantic ticket should carry the legend:

This ticket would have cost $25 less if socialism were working the way Socialists say it is.

It is a good idea. It should be extended to all things that cost more because European socialism does not work.

[From the New York Times of March 29, 1948]

ATLANTIC AIR FARES TO INCREASE BY $25—AMERICAN-FLAG OPERATORS NOT TOO PLEASED WITH THE RISE SOUGHT BY FOREIGN LINES

Air fares across the Atlantic will increase by $25 on Thursday. The Civil Aeronautics Board last week approved the general rate increase determined upon by the rate conference of the International Air Transport Association at Rio de Janeiro last November and all air-line men here yesterday said the rates would become effective for at least 5 months.

Operators of air service across the Atlantic under the American flag are not too pleased with the increase. Their figures for last year show an operating profit as a rule and they feel that every rise in rates is a step away from the $200 round trip to Europe that the industry has long counted on to generate real mass transportation by air overseas.

Foreign operators, particularly the British and the French, however, have been faced with heavy deficits on their Government-owned monopolies and have stood out for the increase for at least the summer season when capacity loads are expected both ways. On the plea that the current rate would drive their foreign competitors out of business, in violation of all international air agreements from the general act of the Chicago conference of 1944, the United States-flag operators have agreed to go along on the increase.

The base rate has been that between New York and London, which has stood for more than 2 years at $325 one way, with rates to other cities in Europe based on mileage beyond the London gateway. The London rate now become $350 with similar increases for all points beyond. With the discounts prevalent for foreign round trips the round trip fares will be increased by $43.20.

Not all of the provisions of IATA's Rio resolutions were approved by the CAB. In both the Atlantic and other conferences the board suspended provisions that, it said, would tend to provide double commissions for agents who were both agents and forwarders of freight. This, the board said, would be in effect an illegal rebate. It also questioned some of the provisions for free and reduced fare transportation for tour conductors and has instituted a general inquiry into the whole matter of free and reduced fares on international air carriers, which are strictly forbidden to domestic air lines.

[From the Saturday Evening Post of May 8, 1948]

FREE ENTERPRISE SEEMS BORN TO BLUSH UNSEEN

There's a lot in what Dorothy Thompson says about this country hiding its light under a bushel and fighting a cold war by imitating the juvenile antics of Communist gangsters instead of demonstrating in a positive fashion what freedom has to offer the miserable inhabitants of this planet. A striking example of our failure to beat the drums was clipped out of the New York Times last month by the Foundation for Economic Education, which deserves credit for rescuing the item from unmerited oblivion. The Times news story explained an announced increase of $25 in the fare for trans-Atlantic air-line flights. The story pointed out that air lines under the American flag had been showing an operating profit on overseas flights and regretted the necessity of increasing the fare. Reason:

"Foreign operators, particularly the British and French, have been faced with heavy deficits on their government-owned monopolies and have stood out for the increase for at least the summer season, when capacity loads are expected both ways. On the plea that the current rate would drive their foreign competitors out of business, in violation of all international air agreements arising from the general act of the Chicago conference in 1944, the United States flag operators have agreed to go along on the increase."

In other words, American private management—aided by Government-mail contracts which foreign lines also get—has outdistanced subsidized socialism, but, in the interest of courtesy, has agreed to waive its advantage. Inasmuch as the right to fly into England and France does rest on agreements with those countries, it is probable that there was no way out for the American lines but to go along on the fare increase. Nevertheless, we do feel that, in this one instance at any rate, such free enterprise as remains in the flying business is entitled to at least as much advertising as the Socialists are forever sponsoring in behalf of the allegedly superior efficiency and economy of their system. Couldn't a ticket on an American transatlantic plane contain some such legend as: "This ticket would have cost $25 less if socialism were working the way Socialists say it is."

This is no gag, but a serious proposal. One of the most important reasons for the low standing of our economic system in the eyes of millions of Americans is that they have been told by everybody from Henry Wallace to the professor in economics 6, that some other system would distribute goods more fairly or make full production available to the people instead of to the profiteers. Never do these apostles of antifree enterprise explain just when and where Socialist economies have delivered the goods. They content themselves with pointing out that a planned society ought to deliver the goods because it's a planned society. What's the matter with asking for details of how they do it; and what's the matter with blowing our own horn, just softly, when we do it?

INAUGURATION OF GOVERNOR LONG

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. ALLEN of Louisiana. Mr. Speaker, 20 years ago today I was present in the city of Baton Rouge, La., and witnessed the inauguration of my neighbor and boyhood friend, the late Gov. Huey P. Long, who later became a distinguished United States Senator. Sixteen years ago today in Baton Rouge, I witnessed the inauguration of my brother, the late Gov. O. K. Allen, who was later elected to the United States Senate and died before taking office.

Today in the city of Baton Rouge, Hon. Earl K. Long, a younger brother of Huey P. Long, and also a neighbor and friend of mine, is being inaugurated Governor of Louisiana. Within a few minutes he will be inaugurated Governor. I had planned to attend the inauguration and had made some reservations for that purpose, but had to cancel the trip because of the heavy legislative docket here this week. But, Mr. Speaker, it is a matter of great pride with me that another man with whom I was reared and who now lives in my home town becomes governor of the great State of Louisiana, after having received a majority of over 208,000 votes in the recent primary. This makes three governors of Louisiana that my own home town has furnished.

I believe Governor Long will make Louisiana a great governor. He has broad experience in public life, having been Governor himself for 11 months before and he has a broad knowledge and a sympathetic understanding of the needs of the people. We in Louisiana are proud of his achievements and we are very happy over his election and elevation to the governorship and we are looking forward to the accomplishment of great results under his administration. He goes into office with as great backing of the people as any governor in the history of Louisiana has ever had. His great desire is to give to the people of Louisiana 4 years of good government and bring to our people the greatest measure of happiness and prosperity. This we believe he will do.

Mr. Speaker, I am happy today to salute the new Governor of Louisiana and to extend to him and his gracious lady, Mrs. Blanche Long, my warmest congratulations and fervent good wishes.

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, I asked for this time to pay tribute to a truly great American, the Honorable Earl K. Long, Governor-designate of the great State of Louisiana.

Today at high 12, central standard time, Mr. Long will be sworn in as Governor of the State of Louisiana. In effect that means that all Louisianians will enter upon a new phase of life and henceforth Louisiana will have peace, prosperity, and an aggressive form of State government.

Those of us who know Governor Long best know that he possesses great ability, He is a lovable character and his integrity is most certainly above reproach. Gov. Earl K. Long, like his illustrious brother, the late United States Senator Huey P. Long, has ever championed the cause of the lame and the halt, the sick and the blind, the aged and the infirm, and also that large group of underprivileged. Governor Long is the father of the free school-lunch program.

I predict that so great will be Governor Long's administration for the next 4 years in Louisiana that the leadership set by the Governor will soar as a bright example to statesmen and leaders yet unborn. Governor Long has set for his task a very comprehensive program. His program is feasible and will be beneficial to all Louisianians.

I predict that so great will be the accomplishments of Governor Long in the next 4 years that chief executives from many of Louisiana's sister States will look to him for advice and counsel. No doubt history will record Governor Long as one of the great leaders of this age. It would not surprise those of us close to Governor Long to see him drafted for an even greater work and on a national scope.

No doubt, many of my colleagues present on the floor today will sooner or later aspire to the governorship of their respective States, and if that be true, I recommend that they turn their eyes to the South and observe the great program being pursued for the good of mankind under the able leadership of my dear friend, Gov. Earl K. Long.

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Speaker, I join with my colleagues in extending best wishes and congratulations to Governor Long, and our first lady, Mrs. Long, as he assumes the highest office within the gift of the people of Louisiana. Our new Governor has announced a constructive program of public works and aid to the aged and the indigent. In that program he will have the cooperation of all Democrats in the State of Louisiana as well as my own cooperation.

Our incoming Governor was nominated by the largest majority ever accorded a candidate for governor after full discussion of the issues and programs involved. In carrying out his program he deserves the help and cooperation of all our people.

Governor Long defeated three other candidates in the two primary elections of January and February 1948—Representative MORRISON, Judge Robert Kennon, and former Governor Jones. I supported the latter candidate, but as the Representative in Congress of the Second District of Louisiana, I naturally bow to the majority, and I am glad to join my colleagues in extending congratulations and best wishes and in pledging my cooperation in a program for the advancement of our State.

Mr. BROOKS. Mr. Speaker, all roads today in Louisiana lead to Baton Rouge. A record crowd is in attendance; and the occasion of this tremendous outpouring of the people of Louisiana is the inauguration of Gov. Earl K. Long.

Governor Long was elected after a heated campaign culminating in a brilliant victory produced by a record majority of votes coming from all sections of our State. These votes represented all groups and all parts of Louisiana. This inauguration marks the beginning of a new regime in Louisiana politics. All signs point to an era of unprecedented growth, development, and progress in my native State and for the benefit of its people.

My heartiest congratulations go to the incoming Governor. He has, of course, my full cooperation and desire to work with him for the benefit of our State, its institutions, and its people.

EXTENSION OF REMARKS

Mr. HÉBERT (at the request of Mr. BOGGS of Louisiana) was given permission to extend his remarks in the RECORD.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD.

Mr. JONES of Alabama asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mr. FERNANDEZ asked and was given permission to extend his remarks in the RECORD on the subject World Premiere of Four Faces West, and also to extend his remarks in the RECORD and include the third part of an article with respect to the Rio Grande flood problem in New Mexico.

Mr. LANHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Atlantic Journal.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

CONSERVATION PAYMENTS TO MINERS OF STRATEGIC AND CRITICAL MINERALS

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STEVENSON. Mr. Speaker, a bill by the gentleman from Nevada [Mr. RUSSELL], H. R. 2455, to make conservation payments to miners of strategic and critical minerals required for the national defense is now pending. This bill is designed to supplement the Stock Pile Act of 1946 and to encourage discovery, exploration, and development of minerals within our borders. It will also insure the recovery of marginal ore bodies which were opened up during the war and which may be lost forever if not continuously mined.

We are laggard in these matters. While we talk in terms of mineral inventories other countries take practical action. It is reported that the greatest mineral search in history is under way in other countries. Prospectors will employ parachute, reindeer, camel, pack mule, automobile, and airplane in their efforts to discover new and greater ore beds.

Apparently, cost is no object to other nations when strategic and critical defense materials are needed. It is clear they are making strenuous efforts to become self-sufficient in metals and minerals.

It seems to me that the United States can do no less than make every effort to be self-sufficient in supplies concerning the national defense. I realize we must have some imports, but most certainly every ton of strategic metals we can procure here—every source we can make available on our own continent—adds that much insurance against future needs.

I feel the House should pass H. R. 2455 at the earliest possible moment.

TAXES

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GRANT of Indiana. Mr. Speaker, last year I introduced H. R. 1030 when it was reported unanimously by the Committee on Ways and Means. Many members of the committee as well as others not on that committee expected we would quickly make a reappraisal of the whole luxury-tax situation. The chairman told the House:

> We will go over the whole excise-tax list before long and see if we cannot give relief where needed.

We all thought that early action would be possible. I personally pointed out our desire to continue these present war-excise taxes, at least until such time as the Congress has an opportunity to consider the whole budget picture.

It is not surprising therefore that many Members have asked me what we are doing in this matter. I do not undertake to speak for the committee, but I do feel constrained as a matter of good faith to present a bill which will be referred to our committee and enable us to have the subject considered when we get the general revision bill out of the way.

It is possible to make out a good case for any one of the many items which are included under the general heading of excises. However we cannot properly, in my judgment, dispose simply of individual items in piecemeal fashion. Moreover we must consider the revenue situation in the light of budgetary demands, the extent of which we do not yet know.

But we should review the picture, at least, and ascertain just where we stand. When we do so, we should approach the problem with some principle in mind, some standard which may appropriately be applied. We must deal with the retail excise category as a whole. For example, does anyone suppose we should consider luggage only, and not furs or jewelry or cosmetics? Or that we should take up only one classification of cosmetics or one price range of jewelry? Such approach, it seems to me, does not go to the heart of the situation. We must consider all together.

In my view we should not have in peacetime a discriminatory rate of tax on retail sales. It would please me if there were no tax at all on retail sales, particularly where they are superimposed upon local and State sales taxes, thus further through Federal authority, distorting and aggravating a competitive situation already serious to those who have a perfect right to engage in a particular line of legitimate business. But I am practical enough to know that revenue needs must also be considered, and the bill I am introducing today would simply restore the 1941 rate of tax, 10 percent, instead of the 1943 rates of 20 percent which our action last year continued in force.

Oddly, the double burden of the 20-percent rate falls largely on the women of the Nation. A man carries his belongings in his pockets—a woman needs a handbag, and pays a tax of 20 percent for the article. She wants to look presentable, in fact it is essential that she do so—and the women of America are the most beautiful in the world—but the woman pays a penalty of 20 percent for her cosmetics. She buys a fur coat and is taxed $1 for every $5 of the retail price. She buys a bauble for the coat and must pay another 20 percent for the jewelry adornment. Someone said "The woman always pays"—we not only make it legal—we say she must go on paying war tax rates. She gave her husband, her sons to the war, and we make her pay for the war too.

The Federal sales taxes—that's what they amount to—as excises on retail sales, are highly discriminatory to the man in business. The consumer buys an oriental rug or expensive china, and he pays no tax. He buys a locket and a chain as a graduation gift for his daughter, or a wedding present, and he pays $4 tax on every $20 he spends. That simply is not just or right in principle. Either we should have a general Federal sales tax on all items—which I oppose—or we should deal fairly with this retail-excise problem.

At the very least I want the matter to come before our committee. Many other Members of this body want to know and be able to tell their constituents that the problem will receive consideration. Therefore, I am introducing a bill to reduce from 20 percent to 10 percent the rates now applicable to furs, jewelry, cosmetics, and luggage. As soon as our budgetary position will permit, I hope to assist in repealing retail excises entirely as applied to these items.

DEPARTMENT OF AGRICULTURE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial appearing in the York Dispatch this morning.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, I regret that it is necessary for me to come before this House to criticize certain things in the Department of Agriculture so often. I would like to see that Department cleared up so that the people would get at least some sensible advice or benefit from that top-heavy, expensive department of government. Now they are up in my city putting on a campaign to teach the housewives what to buy and even going so far as to say that they can cut their budget by 50 percent if they will follow their advice. Well, the program calls for the housewives to purchase cabbage instead of asparagus and soybeans instead of meat. These housewives in southeastern Pennsylvania, who have long enjoyed the reputation of being the thriftiest wives and the best cooks and housekeepers in the world, we Pennsylvania Dutchmen, are not going to eat cabbage instead of asparagus at this time of the year, and they are not going to eat soybeans when what they want is beef or pork. They are just crazy down there in the Department of Agriculture. Why do they not go up into the coal regions and try this experiment. There all food is brought in; the people live out of the store. The cellars in the homes in southeastern Pennsylvania actually represent little warehouses when it comes to supplies, and those supplies have been put there to take care of their needs for a year in advance. You can go into a lot of our cellars and find from a hundred to a thousand quarts of canned goods that they have put up themselves, some for as long as 5 years ago, and they are just as good now as the day when they were put up by the housewife. Now the Department of Agriculture agents are up there putting on an extensive program urging the people to buy the foods which are in surplus created by the Government whether they are suitable or not. I shall survey the thing honestly and report to this House their doings from time to time. If they expect us to eat soybeans and cabbages instead of asparagus and beefsteak, they are crazy. The Department of Agriculture should be pushed back into Washington where it belongs. Their recommendations are mostly boloney no matter how thin you slice it.

Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD an editorial appearing in the York Dispatch entitled "It's Still Boloney":

IT'S STILL BOLONEY

So now the master minds of the Department of Agriculture are going to tell housewives how to cut down one-tenth on their food budgets. York and Lancaster counties are to be the testing grounds for a best-buy campaign. It seems Government experts will tell the grocer what is abundant, and therefore cheap, and the grocer will put a label on these goods, and voila. The good housewives will buy the cheap, but nourishing articles. At least Washington says they're nourishing.

As though anybody who has been handling the food pocketbook for the last year or two doesn't know that one has to purchase the best buys or have nothing left to buy anything else. The housewife who pretends to be any kind of manager buys what is a bargain. She walks into a store and sees a pile of canned goods, for instance, with a bargain price on it. If she has any extra money in her purse, which is doubtful in view of present conditions, of course, she will pick up a can or two.

We note that during the experimental period Department of Agriculture representatives will sit in the chamber of commerce to keep tab on developments. We also note that recipe books will be distributed, printed at Government expense, to tell housewives how to prepare meals economically under the title "Money-Saving Main Dishes." More menus would seem to be the last thing we need.

If all the books filled with money-saving menus were placed end to end and side by side and one on top of the other, all the people in the United States, including Alaska and the other Territories, would be knee deep in them. We say let the experts wade in them.

Remember all the hullabaloo about the wonderfully nourishing properties of soybeans? They could be substituted for meat, the pamphlet said. Maybe that is so, but we never could get anybody to like soybeans. We dressed them up with tomato sauce and with mustard and we baked them and we boiled them, and they always turned out soybeans.

And who is paying for the cost of compiling and printing these menus? We, the people. We doubt very much whether one-tenth of the budget which we will theoretically save with suggestions from the Government, all free, mind you, will equal the amount of money spent to pay the home economists to compile the book, the cost of paper and printing, not to mention the salaries of those representatives of the Department who will sit and watch developments.

Seemingly the experts have failed to take into account the fact that many Yorkers buy green groceries at the markets. Will they cover the markets?

We realize that a Government employee in Washington, unless he were York County bred, could not be familiar with the fact that we go to market for certain things. That's what we mean. Washington thinks up something for us to do, some much publicized campaign to save food, and then a most important factor in even starting to make such a plan work is overlooked; that is the local element.

You know, maybe, we are one of those cussed rugged individualists who hate to have a guv'ment man poke his nose into our pots and pans. We have never done anything but try to economize on the grocery bill, and we resent the implication that Washington must send experts to tell us how to run things, even our meals.

Sometimes when we read of all these wonderful things that the Government is doing for us we decide not to try to figure out anything at all for ourselves any more. If our food money fails to reach, we'll just sit down and have a good cry and send Mr. Truman a telegram (collect, of course) so he can tell us what to put on the table for supper. Shades of Charlie Luckman and his ilk. Let them sell their soap; let the Department of Agriculture stick to its agriculturing and let us alone. We'll manage, thank you.

EXTENSION OF REMARKS

Mr. JONES of Washington asked and was given permission to extend his remarks in the RECORD in two instances; in one to include three editorials appearing in the Seattle Times, and in the other portions of a statement made by him before the Committee on Ways and Means concerning an amendment to the Foreign Trade Zones Act, H. R. 6160, and a statement on the same subject made by a representative of the Seattle Chamber of Commerce.

ECONOMIC COOPERATION ACT OF 1948

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, in writing the Economic Cooperation Act of 1948, Members of Congress were farsighted enough to recognize that in assisting the western block of European countries it was likely that from time to time an impact would be felt on the economy of the United States. For that reason, section 112 (a) was written into Public Law 472 of the Eightieth Congress, which provides as follows:

> The Administrator shall provide for the procurement in the United States of commodities under this title in such a way as to (1) minimize the drain upon the resources of the United States and the impact of such procurement upon the domestic economy, and (2) avoid impairing the fulfillment of vital needs of the people of the United States.

The House Small Business Committee in March compiled a summary of requirements for the Economic Cooperation Act in which it was estimated that for 1948, $441,000,000 would be spent in procuring steel and steel-making materials for the Marshall-plan countries, that $576,800,000 would be spent to procure petroleum and petroleum products, and that $175,000,000 would be spent for oil-equipment requirements and that $369,000,000 would be spent in procuring coal to be sent to these countries. All of these items are today in short supply in the United States.

Small businesses are the losers in any period of scarcity. Many small business firms have contacted the House Small Business Committee, complaining that steel in particular was impossible to obtain in needed quantities without paying gray-market prices. This condition exists at a time when we are giving away these items to countries in Europe who themselves are not interchanging goods.

To illustrate this point, I refer you to the New York Times of April 17 which article carries the headline: "Belgium offering steel sheets here." Five hundred and twenty-eight thousand dollars worth in one contract cited, price given as 11 cents a pound or $220 a ton. The article went on to say:

> These offers were taken to indicate that European mills are approaching a point at which they will have an exportable surplus if their entire output is not absorbed by the European recovery program.

It seems unbalanced to have us selling steel for use in ERP operations on a preferred allocation status when some buyers here may have to buy foreign steel at almost double the price of metals we ship abroad.

In the New York Journal of Commerce on April 29 an ad appeared as follows:

> We offer as representatives of a leading European mill API line pipe, 300–500 tons monthly, commencing October, Kurt Orban Co., Inc.

As one good friend of mine remarked to me yesterday, "Why should any European nation buy from another European nation when they can get the materials from the United States for nothing?"

It has been stated several times on the floor of the House by other Members that at the same time France was negotiating for the importation of 6,500,000 tons of coal from the United States in each of the next three quarters that in Poland there would be a glut of coal available at prices far beneath the shipping charges to carry coal from this country.

In the case of petroleum and petroleum products, several days ago we were advised by the Armed Services Committee that in the event of a war, the Nation would face a shortage of 3,000,000 barrels of oil a day, further stating that if the world situation does not improve and voluntary controls are not successful that the Government should consider allocating steel and petroleum products.

In regard to steel for oil equipment requirements which includes steel used for rigs, drills, tubing, pipe and refinery expansion, a good deal of steel must be channeled into these efforts within the next few months, further curtailing the use of steel by all types of other industry.

As a member of the Select Committee on Small Business, I have been carefully following the allocation of steel, especially that part of it that has been going, and we hope continues to be directed, to small manufacturing plants who find that steel is the major element or the general base upon which their entire output is dependent. Hundreds of these small but important manufacturing plants must be provided with steel if they are to continue to keep their plants operating.

In my opinion, the opportunity of the Department of Commerce to mishandle, misjudge, or fumble the allocation of steel, either by persuasion or otherwise, could and probably would directly affect the farm output of many farms in America. Farmers are not only short of farm equipment used in the cultivation of the soil but also short of many other tools and repairs, the basic element of which is steel.

In any plan which contemplates allocation of such scarce items as steel, I fear for the welfare of small businesses.

I recently attended a meeting of the steel warehouse men sponsored by the Department of Commerce, office of industry cooperation, at which time warehouse men were gathered to enter into a voluntary agreement under Public Law 395. Officials of the Department of Commerce, in effect, told the group that they could not expect more than 15 percent of the total steel production for distribution to small users. They further advised that 10 percent of the total steel production is being shipped abroad.

Mr. Virden, Director of the Office of International Trade, at the meeting said:

> Based upon what we know of the steel-production situation, I think we ought to be frank with you and say we don't see any chance of an increased flow of steel to the warehouse industry; indeed, you might face the fact that you might get less steel.

Under Secretary of Commerce William C. Foster said:

> We went up last year to the Congress believing that there were shortages which might need some mandatory powers to alleviate.

From the Department of Commerce, then, we see there is the thinking that small users of steel will get no more, and may get less. Also that mandatory controls are necessary.

If this be true, then it is time that we restudy section 112 (a) of Public Law 472 and call a halt to the exportation of such scarce items that are crippling our own economy at home.

While on the subject of small business, I call your attention to one other disturbing bit of news which has come across my desk recently. In January and February of 1948, Army supply contracts awarded totaled $284,000,000. Of this total amount, less than $20,000,000, or 7 percent of the total in dollars, was awarded to businesses employing less than 500 wage earners.

Small business is a fundamental part of America and must continue to grow and be safeguarded as well as any other cherished American institution.

EXTENSION OF REMARKS

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include a letter appearing in today's New York Herald-Tribune.

Mr. JOHNSON of California asked and was given permission to extend his remarks in the RECORD in two instances and include a lecture in each.

UNITED STATES COAST GUARD ACADEMY

Mr. SEELY-BROWN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Speaker, on Friday of this week the congressional Board of Visitors to the Coast Guard Academy will convene in New London, Conn.

All of us in Connecticut greet our distinguished visitors with a very sincere "Welcome aboard." They will have the opportunity to observe the progress and to study the problems of the Coast Guard Academy. Their constructive suggestions will do much to enable the Coast Guard to maintain its present high standard of achievement in the field of training officers.

We have heard a great deal during the past few years about our naval and military academies. We have also heard a great deal about the uniformity of operation maintained by the various services which bears evidence of the basic training and education received at these academies by our military leaders.

Not many of us, however, are acquainted with the history, dating back to 1876, rich in tradition and significant events, which forms the background of our third and smallest service academy—the United States Coast Guard Academy at New London, Conn. Nor is it generally appreciated that this comparatively small academy, because of the almost boundless range of its functions and scope of training, holds a unique and interesting place among the educational institutions of our armed forces.

Appointments to the Coast Guard Academy are based entirely on Nation-wide competitive examinations. This year 1,222 young men made application for appointment to cadetship. Of this number 840 were found eligible and authorized to take the examinations. Based upon the results of these examinations, appointments of approximately 150 cadets, from the top grades, will be made provided the candidates are physically and otherwise qualified. These cadets will enter the Academy during the first week in July. Thus it may be seen that the candidate receiving an appointment to the Academy must have attained a relatively high examination mark.

Mention has already been made as to the diversified education offered at the Coast Guard Academy. When we consider the manifold duties of our Coast Guard service itself, the reason for this type of education becomes very clear. Let me give you a partial list of these duties: Maritime law-enforcement, life-saving, rescue work, maintenance of almost 37,000 aids to navigation, port policing, prevention of smuggling, narcotics control, protection of fisheries, fur-seal, game and bird reservations, Bering Sea patrol, iceberg and weather patrol. These are the peacetime duties of our Coast Guard—wartime duties carry Coast Guard ships and personnel to all parts of the world.

The Coast Guard is our oldest seagoing service. Here we find a mark of democratic principles dating back to 1876, the year in which the Secretary of the Treasury secured passage of a law establishing the cadet system. Since that early date, candidates for the Coast Guard Academy have been selected by competitive examinations.

Permit me to relate a bit of the interesting history leading up to the present status of the United States Coast Guard Academy.

To begin with, the officer personnel of the Revenue Marine—now the Coast Guard—was composed of Revolutionary War veterans.

It was Alexander Hamilton, our first Secretary of the Treasury, who recommended that naval commissions be given to those in charge of the first Revenue Marine vessels and that such commissioning, "will not only induce fit men the more readily to engage, but will attach them to their duty by a nicer sense of honor."

From 1790 until 1876 the service obtained its officers from the Navy and merchant marine. The resultant mixture of personnel, some with military, some with commercial experience, proved to be of distinct disadvantage in that two separate camps, each with its own peculiar background and sympathies, developed. The duties of the Service, even in those early days, were of a specialized nature, foreign to the common knowledge of other professions. Specialized training, of one kind or another, seemed to be in order.

A specialized training period for candidates for the service was created by congressional law in July 1876, and thus the cadet corps system was established. This same cadet corps system is in effect today, supported solely by means of competitive examination.

In May of 1877, academy life in the Coast Guard began aboard the old topsail schooner *J. C. Dobbin*. The academy year was devoted to 8 or 9 months of academic instructions in port and 3 or 4 months of cruising for practical instructions.

During the period 1878–1900, the *Chase*, a 106-foot sailing vessel, bark-rigged, served as the home of the academy school of instruction. The *Chase*, stationed at New Bedford, Mass., during the winter months, made practice cruises to Europe in the summer. Graduation followed a 2-year course at this floating academy—the cadets became third lieutenants in the Revenue Cutter Service.

The first land-based academy was established in 1900 at Arundel Cove, near Baltimore, Md.

The Arundel Cove location served as a site for the Academy until 1910, at which time all facilities were transferred to historic Fort Trumbull at New London, Conn.

With the creation, in 1915, of the United States Coast Guard through the amalgamation of the Revenue Cutter Service and the Life Saving Service, the Academy was given the official designation United States Coast Guard Academy. It was developed into a technical school comparable with respect to completeness of courses, instructions, and educational facilities to Annapolis and West Point.

The full 4-year course of instruction, established in 1931, contains a greater number of semester hours than the average university engineering course, and nearly three-fourths of the cultural subjects required for a bachelor of arts degree in a liberal-arts college. Since 1941 the Academy has conferred upon each graduate the bachelor of science degree as well as awarding the commission of ensign in the United States Coast Guard.

Since its founding in 1790, so many additional duties have been assigned to the Coast Guard, which I might say are not performed by any other organization, that training, specialized to meet Coast Guard requirements, is mandatory.

Illustrative of the diversified activities of Coast Guard officers, a survey of the graduates of the Academy in 1944 shows that members of that class are now assigned duties as commanding officers of loran stations and buoy tenders, aerologists, and controllers in operation centers, executive officers on large cutters and supply ships, aids-to-navigation duties at various shore establishments, instructors at the Coast Guard Academy and in post-graduate training for aviation, electronics, and naval engineering duties.

Thus, it can readily be seen that training at the Academy must provide a good fundamental knowledge for these various assignments during an officer's career in the Coast Guard.

LEGISLATIVE APPROPRIATION BILL, 1949

Mr. JOHNSON of Indiana, from the Committee on Appropriations, reported the bill (H. R. 6500) making appropriations for the legislative branch for the fiscal year ending June 30, 1949, and for other purposes (Rept. No. 1906), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. MAHON reserved all points of order on the bill.

RELEASE OF CERTAIN POWERS OF APPOINTMENT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 395) to extend the time for the release, free of estate and gift tax, of powers of appointment.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That section 403 (d) (3) of the Revenue Act of 1942 (relating to the release of certain powers of appointment) is hereby amended by striking out "July 1, 1948" wherever it appears and inserting in lieu thereof "July 1, 1949"; and section 452 (c) of the Revenue Act of 1942 is hereby amended to read as follows:

"(c) Release before July 1, 1949:

"(1) A release of a power to appoint before July 1, 1949, shall not be deemed a transfer of property by the individual possessing such power.

"(2) This subsection shall apply to all calendar years prior to 1949 and to that part of the calendar year 1949 prior to July 1, 1949."

With the following committee amendment:

On page 2, line 6, add a new section as follows:

"SEC. 2. For the purposes of sections 403 and 452 of the Revenue Act of 1942, a power to appoint created by a will executed on or before October 21, 1942, shall be considered a power created on or before such date if the person executing such will dies before July 1, 1949, without having republished such will, by codicil or otherwise, after October 21, 1942."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STOCK PILES OF STRATEGIC MINERALS AND METALS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, as a member of the Subcommittee on Mines and Mining of the Committee on Public Lands, may I say that we have been making rather extensive studies in recent weeks concerning the condition of our stock piles under the recent act which provides for stock piling of strategic and critical minerals and metals. The other members of the committee and I are disturbed because of the present condition of the stock piles in this critical stage of world affairs. We have been investigating ways and means of stimulating mining, especially of these strategic minerals and metals.

I am convinced, Mr. Speaker, that we ought to pass legislation of this nature at this session. I am in favor of a form of the Russell bill, which has already been reported out, and on which a rule has been granted. Perhaps certain amendments to the bill may be suggested to improve its national defense feature but something of that sort, I think, ought to be passed before adjournment.

The SPEAKER. The time of the gentleman from Arizona has expired.

STOCK PILING CRITICAL MATERIALS

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I merely want to make a comment with reference to what my colleague the gentleman from Arizona said. I was on the subcommittee which wrote the Stock Piling Act. The barrier which stands in the way of our building military stock piles is the fact that we put a clause in that law providing that those articles which are in short supply in the civilian economy cannot be stock-piled. I am convinced that we have to have some way of overcoming that barrier, either by modification of that clause, or by the elimination of it. Otherwise we will not get the stock piles of materials that we need at this critical time. Therefore I hope the Russell bill or any other bill containing some provision which will give a little relief from the civilian demands may be passed. I would support such a bill. We are trying our level best to build stock piles, and the progress to date has been very, very disappointing. It has been so slow, in my opinion, because of the clause that we were persuaded to put in the bill, which the last Congress passed.

The SPEAKER. The time of the gentleman from California has expired.

SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION, 1948

Mr. TABER. Mr. Speaker, I call up the conference report on the bill (H. R. 6226) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6226) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 5, 7, 8, 9, and 11, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In the last line of the matter inserted by said amendment, strike out the sum "$30,049,000," and insert in lieu thereof "$20,849,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the figure named in said amendment, insert "$500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 10.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,
Managers on the Part of the House.

STYLES BRIDGES,
CHAN GURNEY,
KENNETH MCKELLAR,
CARL HAYDEN,
MILLARD E. TYDINGS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6226) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendments Nos. 1 through 4, inclusive, relating to the Department of the Army, Corps of Engineers, appropriate $20,849,000 for Engineer Service, Army, instead of $30,049,000 as proposed by the Senate.

Amendment No. 5, relating to the Department of the Army, appropriates $5,051,000 for, and authorizes transfer of $5,900,000 to the appropriation "Barracks and quarters, Army", as proposed by the Senate.

Amendment No. 6, relating to the Department of the Navy, provides for not to exceed $500,000 to be spent for the expansion of private plants in connection with the aircraft construction program instead of $2,000,000 as proposed by the Senate.

Amendment No. 7, relating to the Department of the Navy, provides for the use of not to exceed $20,000,000 for liquidation of obligations incurred under the appropriation "Aviation, Navy, 1945", as proposed by the Senate.

Amendment No. 8 corrects a section number of the bill as proposed by the Senate.

Amendment No. 9 strikes out language carried in the House bill relating to contract renegotiation.

Amendment No. 10 reported in disagreement.

Amendment No. 11 corrects a section number, as proposed by the Senate.

AMENDMENT IN DISAGREEMENT

With respect to the amendment in disagreement the managers on the part of the House have authorized the following motion to be made:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"SEC. 3. (a) All contracts in excess of $1,000 entered into under the authority of this Act, obligating funds appropriated hereby, obligating funds consolidated by this Act with funds appropriated hereby, or entered into through contract authorizations herein granted, and all subcontracts thereunder in excess of $1,000 shall contain the following article:

"'Renegotiation article: This contract is subject to the Renegotiation Act of 1948 and the contractor hereby agrees to insert a like article in all contracts or purchase orders to make or furnish any article or to perform all or any part of the work required for the performance of this contract.'

"(b) Whenever in the opinion of the Secretary of Defense excessive profits are reflected under any contract or contracts or subcontract or subcontracts required to contain the Renegotiation Article prescribed in subsection (a), the Secretary is authorized and directed to renegotiate such contracts and subcontracts for the purpose of eliminating excessive profits. He shall endeavor to make an agreement with the contractor or subcontractor with respect to the amount, if any, of such excessive profits and to their elimination. If no such agreement is reached, the Secretary shall issue an order determining the amount, if any, of such excessive profits and shall eliminate them by any of the methods set forth in subsection (c) (2) of the Renegotiation Act of February 25, 1944, as amended. In eliminating excessive profits the Secretary shall allow the contractor or subcontractor credit for Federal income and excess profits taxes as provided in Section 3806 of the Internal Revenue Code. The powers hereby conferred upon the Secretary shall be exercised with respect to the aggregate of the amounts received or accrued under all such contracts and subcontracts by the contractor or subcontractor during his fiscal year or upon such other basis as may be mutually agreed upon; except that this section shall not be applicable in the event that the aggregate of the amounts so received or accrued is less than $100,000 during any fiscal year.

"(c) For the purpose of administering this section the Secretary of Defense shall have the right to audit the books and records of any contractor or subcontractor subject to this section. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of the Secretary of Defense and with the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purpose of making examinations and audits under this section.

"(d) The provisions of this section shall not apply to any of the contracts or subcontracts specified in subsection (i) (1) of the Renegotiation Act of February 25, 1944, as amended, and the Secretary of Defense in his discretion may exempt from the provisions of this section any other contract or subcontract both individually and by general classes or types.

"(e) Agreements or orders determining excessive profits shall be final and conclusive in accordance with their terms and except upon a showing of fraud or malfeasance or willful misrepresentation of a material fact shall not be annulled, modified, reopened, or disregarded, except that in the case of orders determining excessive profits the amount of the excessive profits, if any, may be redetermined by the Tax Court of the United States in the manner prescribed in subsection (e) (1) of the Renegotiation Act of February 25, 1944, as amended, except that such redetermination shall be subject to review to the extent and in the manner provided by subchapter B of chapter 5 of the Internal Revenue Code.

"(f) The Secretary of Defense shall promulgate and publish in the Federal Register regulations interpreting and applying this section and prescribing standards and procedures for determining and eliminating excessive profits hereunder using so far as he deems practicable the principles and procedures of the Renegotiation Act of February 25, 1944, as amended, having regard for the different economic conditions existing on or after the effective date of this Act from those prevailing during the period 1942 to 1945. In any case in which the contract price of any such contract or subcontract was based upon estimated costs, then the Secretary of Defense shall determine the difference between such estimated costs and actual costs and shall, in eliminating excessive profits, take into consideration as an element the extent to which such difference is the result of the efficiency of the contractor or subcontractor.

"(g) The powers and duties hereby conferred upon the Secretary of Defense may be delegated by him to any officer (military or civilian) or agency of the National Military Establishment.

"(h) Any person who willfully fails or refuses to furnish any information, records, or data required of him under this section, or who knowingly furnishes any such information, records, or data containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than $10,000 or imprisonment for not more than two years, or both.

"(i) This section may be cited as the 'Renegotiation Act of 1948'."

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
KARL STEFAN,
FRANCIS CASE,
FRANK B. KEEFE,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,
Managers on the Part of the House.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I think it well to record the fact that the House of Representatives by the adoption of this report, and it will adopt the report, will have taken the final action in providing the appropriation for the so-called 70-group Air Force, which was before this body some time ago on the original bill. At that time, there was a roll call on the so-called 70-group Air Force program, and I believe there were only three dissenting votes against it. I am sure the Members of the House have not changed their minds. As one member of the conference committee, I want to say I am glad the Senate has seen fit to go along with the program of the House of Representatives in this very important matter, which is designed to insure to some very considerable extent the security and safety of our own country. I merely wanted to make that statement before the vote is taken on the conference report.

Mr. Speaker, the modernization and expansion of our Air Force as provided in the bill before us is an important step in the direction of peace and security.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield.

Mr. RANKIN. Does the gentleman recall what the vote in the Senate was on the 70-group Air Force?

Mr. MAHON. Perhaps our chairman, the gentleman from New York [Mr. TABER] may be able to answer the gentleman's inquiry.

Mr. TABER. The vote was 74 to 2.

Mr. RANKIN. I thank the gentleman.

Mr. MAHON. That, Mr. Speaker, shows a very decided preference on the part of the Representatives of the American people for a first-class Air Force. This is a very important thing we are doing today.

Mr. RANKIN. If the gentleman will yield further, Mr. Speaker, I merely wanted to bring out the fact that it was just about as unanimous a vote as that by which any measure could be passed through both Houses of Congress.

Mr. TABER. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: On page 5, line 8, insert a new section 3, as follows:

"SEC. 3. (a) All contracts in excess of $10,000 entered into under the authority of this act, obligating funds appropriated hereby, obligating funds consolidated by this act with funds appropriated hereby, or entered into through contract authorizations herein granted, and all subcontracts thereunder in excess of $10,00 shall contain the following article:

"'Renegotiation article: This contract is subject to the Renegotiation Act of 1948 and the contractor hereby agrees to insert a like article in all contracts or purchase orders to make or furnish any article or to perform all or any part of the work required for the performance of this contract.'

"(b) Whenever in the opinion of the Secretary of Defense excessive profits are reflected under any contract or contracts or subcontract or subcontracts required to contain the Renegotiation Article prescribed in subsection (a), the Secretary is authorized and directed to renegotiate such contracts and subcontracts for the purpose of eliminating excessive profits. He shall endeavor to

make an agreement with the contractor or subcontractor with respect to the amount, if any, of such excessive profits and to their elimination. If no such agreement is reached, the Secretary shall issue an order determining the amount, if any, of such excessive profits and shall eliminate them by any of the methods set forth in subsection (c) (2) of the Renegotiation Act of February 25, 1944, as amended. The powers hereby conferred upon the Secretary shall be exercised with respect to the aggregate of the amounts received or accrued under all such contracts and subcontracts by the contractor or subcontractor during his fiscal year or upon such other basis as may be mutually agreed upon; except that this section shall not be applicable in the event that the aggregate of the amounts so received or accrued is less than $100,000 during any fiscal year.

"(c) For the purpose of administering this section the Secretary of Defense shall have the right to audit the books and records of any contractor or subcontractor subject to this section. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of the Secretary of Defense and with the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purpose of making examinations and audits under this section.

"(d) The Secretary of Defense in his discretion may exempt from the provisions of this section any such contract or subcontract both individually and by general classes or types.

"(e) Agreements or orders determining excessive profits shall be final and conclusive in accordance with their terms and except upon a showing of fraud or malfeasance or willful misrepresentation of a material fact shall not be annulled, modified, reopened, or disregarded, except that in the case of orders determining excessive profits the amount of the excessive profits, if any, may be redetermined by the Tax Court of the United States in the manner prescribed in subsection (e) (1) of the Renegotiation Act of February 25, 1944, as amended.

"(f) The Secretary of Defense shall promulgate and publish in the Federal Register regulations interpreting and applying this section and prescribing standards and procedures for determining and eliminating excessive profits hereunder using so far as he deems practicable the principles and procedures of the Renegotiation Act of February 25, 1944, as amended, having regard for the different economic conditions existing on or after the effective date of this act from those prevailing during the period 1942 to 1945.

"(g) The powers and duties hereby conferred upon the Secretary of Defense may be delegated by him to any officer (military or civilian) or agency of the National Military Establishment, with or without the power to make redelegations.

"(h) Any person who wilfully fails or refuses to furnish any information, records, or data required of him under this section, or who knowingly furnishes any such information, records, or data containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than $10,000 or imprisonment for not more than 2 years, or both.

"(i) This section may be cited as the 'Renegotiation Act of 1948'."

Mr. TABER. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The Clerk will report the motion of the gentleman from New York.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following:

"SEC. 3. (a) All contracts in excess of $1,000 entered into under the authority of this act, obligating funds appropriated hereby, obligating funds consolidated by this act with funds appropriated hereby, or entered into through contract authorizations herein granted, and all subcontracts thereunder in excess of $1,000 shall contain the following article:

"'Renegotiation article: This contract is subject to the Renegotiation Act of 1948 and the contractor hereby agrees to insert a like article in all contracts or purchase orders to make or furnish any article or to perform all or any part of the work required for the performance of this contract.'

"(b) Whenever in the opinion of the Secretary of Defense excessive profits are reflected under any contract or contracts or subcontract or subcontracts required to contain the Renegotiation Article prescribed in subsection (a), the Secretary is authorized and directed to renegotiate such contracts and subcontracts for the purpose of eliminating excessive profits. He shall endeavor to make an agreement with the contractor or subcontractor with respect to the amount, if any, of such excessive profits and to their elimination. If no such agreement is reached, the Secretary shall issue an order determining the amount, if any, of such excessive profits and shall eliminate them by any of the methods set forth in subsection (c) (2) of the Renegotiation Act of February 25, 1944, as amended. In eliminating excessive profits the Secretary shall allow the contractor or subcontractor credit for Federal income and excess profits taxes as provided in section 3806 of the Internal Revenue Code. The powers hereby conferred upon the Secretary shall be exercised with respect to the aggregate of the amounts received or accrued under all such contracts and subcontracts by the contractor or subcontractor during his fiscal year or upon such other basis as may be mutually agreed upon; except that this section shall not be applicable in the event that the aggregate of the amounts so received or accrued is less than $100,000 during any fiscal year.

"(c) For the purpose of administering this section the Secretary of Defense shall have the right to audit the books and records of any contractor or subcontractor subject to this section. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of the Secretary of Defense and with the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purpose of making examinations and audits under this section.

"(d) The provisions of this section shall not apply to any of the contracts or subcontracts specified in subsection (i) (1) of the Renegotiation Act of February 25, 1944, as amended, and the Secretary of Defense in his discretion may exempt from the provisions of this section any other contract or subcontract both individually and by general classes or types.

"(e) Agreements or orders determining excessive profits shall be final and conclusive in accordance with their terms and except upon a showing of fraud or malfeasance or willful misrepresentation of a material fact shall not be annulled modified, reopened, or disregarded, except that in the case of orders determining excessive profits the amount of the excessive profits, if any, may be redetermined by the Tax Court of the United States in the manner prescribed in subsection (e) (1) of the Renegotiation Act of February 25, 1944, as amended, except that such redetermination shall be subject to review to the extent and in the manner provided by subchapter B of chapter 5 of the Internal Revenue Code.

"(f) The Secretary of Defense shall promulgate and publish in the Federal Register regulations interpreting and applying this section and prescribing standards and procedures for determining and eliminating excessive profits hereunder using so far as he deems practicable the principles and procedures of the Renegotiation Act of February 25, 1944, as amended, having regard for the different economic conditions existing on or after the effective date of this Act from those prevailing during the period 1942 to 1945. In any case in which the contract price of any such contract or subcontract was based upon estimated costs, then the Secretary of Defense shall determine the difference between such estimated costs and actual costs and shall, in eliminating excessive profits, take into consideration as an element the extent to which such difference is the result of the efficiency of the contractor or subcontractor.

"(g) The powers and duties hereby conferred upon the Secretary of Defense may be delegated by him to any officer (military or civilian) or agency of the National Military Establishment.

"(h) Any person who willfully fails or refuses to furnish any information, records, or data required of him under this section, or who knowingly furnishes any such information, records, or data containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than $10,000 or imprisonment for not more than 2 years, or both.

"(i) This section may be cited as the 'Renegotiation Act of 1948.'"

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. TABER].

The motion was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 58]

Andersen, H. Carl	Durham	Kirwan
Andresen, August H.	Ellis	Kunkel
Andrews, N. Y.	Elsaesser	Lane
Barden	Engle, Calif.	Larcade
Barrett	Fuller	Lemke
Battle	Gallagher	Lewis, Ky.
Beall	Granger	Love
Bell	Gregory	Ludlow
Boykin	Hart	Lusk
Buchanan	Hartley	Lyle
Buckley	Hébert	McCormack
Buffett	Hedrick	McCulloch
Butler	Heffernan	Meade, Ky.
Case, S. Dak.	Hendricks	Meade, Md.
Chelf	Hobbs	Miller, Calif.
Clark	Holifield	Mitchell
Clippinger	Holmes	Morgan
Cole, N. Y.	Jackson, Calif.	Multer
Crosser	Jarman	Mundt
Dawson, Ill.	Jenkins, Pa.	Nodar
Deane	Johnson, Okla.	Norton
Dirksen	Johnson, Tex.	O'Toole
Dorn	Jones, N. C.	Patterson
Doughton	Jones, Wash.	Pfeifer
Douglas	Kearney	Philbin
	Kee	Plumley
	Keogh	Poulson

Powell	Sheppard	Thomas, N. J.
Rivers	Sikes	Welch
Rogers, Mass.	Smith, Wis.	West
Rohrbough	Snyder	Whitaker
Rooney	Stigler	Williams
Russell	Stratton	Wilson, Ind.
Scott, Hardie	Teague	

The SPEAKER. On this roll call, 327 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION TO ADDRESS THE HOUSE

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on the conference report which was just adopted.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I hesitate very much to object, we did have the conference report up for consideration. It was disposed of. We have the pending appropriation bill and hope to dispose of it today, as well as disposing of the so-called Bulwinkle bill, which will follow. We have a full program for the week. Of course, if the gentleman insists, I will not object.

Mr. CANNON. Mr. Speaker, I might say that it has always been customary to inform the ranking minority Member when a conference report is to be called up. I was not informed of it.

Mr. TABER. The gentleman from Missouri [Mr. CANNON] knew last night that it was going to be called up the first thing this morning, and the clerk of the committee called his office in the meantime.

Mr. CANNON. I had no word last night and I was in committee with the gentleman all morning and he said nothing about it.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Washington [Mr. JACKSON] may extend his remarks in the RECORD and include an article on the gentleman from Oregon, WALTER NORBLAD, from the Reserve Officers Journal; and I also ask unanimous consent that I may extend my remarks and include several excerpts from letters and articles in my possession.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. MANSFIELD]?

There was no objection.

APPROPRIATIONS FOR NATIONAL DEFENSE

Mr. CANNON. Mr. Speaker, the adoption of the conference report this morning, insuring the enactment of the bill providing for a 70-group air program, will rank in history with one of the decisive events of the Second World War.

We have grown to believe, here in America, that we are the greatest, the most advanced, the most progressive, and the most highly civilized Nation in the world, and that because of our preeminence in culture, science, and industry, no retarded nation like Russia can menace our peace and security.

History is replete with accounts of the destruction of great civilizations by barbarian nations. Following the Roman conquest and Christianization of Britain, there flowered in England, in the fourth and fifth centuries, a civilization found elsewhere only on the shores of the Mediterranean and unsurpassed in the British Isles in the next 500 years. We are still uncovering in archeologic sites in the vicinity of London remains of temples and villas with tasselated pavements equaled nowhere save in Rome itself. Yet when the Saxons landed they swept through England, ravaging, burning, and murdering in an orgy of extermination so thorough as to leave no trace of Latin or Celtic speech, law, or religion. Barbarians so primitive that they would burn a Roman villa and stretch their skin tents for shelter beside the ruins, had extinguished a civilization which would have saved the British race centuries of groping in their upward struggle to achieve even medieval economy.

Again, in the thirteenth century when Chinese civilization was centuries old—and, according to Macaulay, cultured Chinese philsophers drank tea from teakwood tables while our contemporary English ancestors were wearing skins and living in caves, Genghis Khan with his nomadic horsemen, only one degree removed from stark savagery, destroyed every major city and left the land a depopulated desert whose rivers flowed with blood to the sea.

I am certain no one has ever stood on the Acropolis and viewed the magnificent ruins of Periclean Athens without experiencing a poignant grief at the thought of the beauty and artistic splendor so ruthlessly obliterated by the barbarian hordes who extinguished not only the light of a great civilization but a race and a nation as well.

Pericles and his age developed an art which is unequaled even today. They founded a democratic government which through many intermediate steps is the progenitor of our own form of government. But they overlooked one essential. They did not develop simultaneously a means of defending either civilization or government.

If along with their matchless statuary and architecture they had instituted research which would have given them one single plane or tank or machine gun, or comparable weapon of defense, they could have held at bay all the savage forces of the avalanche that overwhelmed them.

Let us take a lesson from the past. It is a lesson often repeated and bitterly emphasized. Our cities pyramided by skyscrapers and filled with the wealth of the world are no defense against predatory marauders armed with the latest scientific weapons. Our marts and laboratories and libraries and blazing furnaces mean nothing in a battle of extermination unless we utilize them in the creation of effective agencies of defense.

Let us not be lulled to sleep by the thought that our wealth and preeminence in industry render us invincible. There are hungry plotters upon the globe that do not sleep.

Today Russia has 170 divisions armed, trained, and ready to move at 6 o'clock in the morning. Her satellites have 95 additional divisions ready for immediate service. There are a total of 265 divisions.

How many do we have to meet them? We have nine. And we are told that at any time, with or without notice, Russia can within 30 days sweep the Continent.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Illinois.

Mr. OWENS. From whence does the gentleman get the figures about Soviet strength?

Mr. CANNON. The figures are authenticated from the highest sources. The War Department advises me this morning that we have nine divisions. They placed no restriction on the information, so I may add that they say the nine divisions can be expanded on short notice. So can the Russian divisions be expanded.

Gen. Omar N. Bradley, Army Chief of Staff, testified before the House Armed Services Committee, on April 14, that Russia has a standing army of 170 divisions plus 95 satellite divisions—and in 60 days can expand them to 300 divisions plus 100 satellite divisions. That is 400 divisions to our 9. Why should Russia wait if we permit our air power to deteriorate?

If war should be precipitated the first test would come in the air. It would be a battle for control of the skies. Germany was through when we took over the air. And we will be through when any enemy secures control of the air above us.

No matter how many atomic bombs we have—we may have atomic bombs stored away by the thousands—but unless we can deliver those bombs to the target in the heart of the enemies' country—thousands of miles away—punctuated by unseen antiaircraft guns and patrolled by jet propulsion planes—they serve only to give us a false sense of security which will be dispelled only when clouds of enemy planes begin to blot out sky and earth and American civilization.

The airplane is the supreme weapon. It is the controlling, dominating, and decisive weapon of any war. And in adopting this conference report today we are making belated provision for a storm which within the range of possibility may break at any minute.

We had 90,000 planes at the peak of our air strength at the culmination of the war. Not one of those planes would be able to stay aloft against modern enemy planes which will be in the air by the close of this calendar year. A jet propelled plane can run rings around the fastest plane we had at the close of the war.

Even with the enlarged program initiated by the pending bill we will not be able to deliver a thousand jet propelled planes before 1951. And Russia is already building a thousand planes a month.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. I wish to commend the gentleman for his recognition of the fact that the airplane is the real potent weapon of defense these days and for his commendation of the adoption of this conference report.

Mr. BRADLEY. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from California, who rendered distinguished service in the war Navy, and whose beaches would be among the first objectives in a hostile air raid.

Mr. BRADLEY. Does the gentleman's enthusiasm go so far that he would advocate doing away with the Army and the Navy?

Mr. CANNON. I regret to say I have no enthusiasm on the subject. Quite the contrary. It is not a situation which engenders enthusiasm.

As has been said, our armed forces are like a three-legged stool, Army, Navy, and Air, and would not be serviceable without any one of the three legs.

But adequate air power is indispensable. Even the Navy, in which the gentleman from California served with such distinction, would be sadly ineffective in modern warfare without auxiliary planes.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to proceed for one additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, when Russia occupied Germany the German engineers had just designed an improved submarine which could stay under water indefinitely, recharging its batteries under the surface, and with a cruising range which would permit it to stay out for months at a time. Russia took over the shipyards, shipwrights, and all personnel and equipment, and ever since has been steadily turning out submarines at top capacity. The old-type submarines gave us plenty of trouble during the war. They completely closed Atlantic sea lanes to tankers and produced a serious oil shortage along the eastern seaboard. We can imagine what the more and improved subsurface craft would do in another war. Of course, that would be a task for the gentleman's branch of the service, and as it is no longer necessary for the submarine to surface periodically, the technique is for airplanes to spot submerged submarines from the sky.

So, in the last analysis, the airplane is the supreme war weapon. And in adopting this report with a program for enlarged air power we are taking timely precaution to meet a situation the seriousness of which cannot be too strongly emphasized.

And may I say, Mr. Speaker, that the action of the Congress in adopting this policy and passing this bill has not gone unnoticed. Already it is having an effect on international relations, as is evidenced by the sudden reversal of diplomatic policy by Russia and the surprising suggestion for a conference with a view to peace.

It remains to be seen just how sincere the proposal is. Judging by past experiences, it is merely a delaying maneuver. But the chances are that it would never have been proposed but for the change in air policy implemented by this bill.

So, in passing a bill ostensibly to create an agency of war, let us hope that we are actually passing a bill which will demonstrate to hostile nations the hopelessness of any dream of subjugating America—and that we are passing, to that extent, a bill to contribute to the establishment of early and enduring peace.

EXTENSION OF REMARKS

Mr. VAN ZANDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech he made.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1949

Mr. PLOESER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6481) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1949, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6481, with Mr. GRANT of Indiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TENNESSEE VALLEY AUTHORITY

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U. S. C., ch. 12A), including purchase (not to exceed one, for replacement only) and hire, maintenance, repair, and operation of aircraft; the purchase (not to exceed 270, of which 220 shall be for replacement only) and hire of passenger motor vehicles, $27,389,061, to remain available until expended, and to be available for the payment of obligations chargeable against prior appropriations, together with the unobligated balance of funds heretofore appropriated, of which not to exceed $21,689,000 shall be available for capital expenditures, including construction of dams, additions, and betterments to completed multiple-use facilities, investigations for future projects, chemical facilities, and facilities and equipment for general use.

Mr. GORE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GORE:

On page 2, line 9, strike out "$27,389,061" and insert "$31,389,061."

Line 13, strike out "$21,689,000" and insert "$25,689,000."

Mr. GORE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. PLOESER. Mr. Chairman, reserving the right to object, we would like to get an agreement at this moment, not regarding the over-all time for debate on this amendment, but giving the author of the amendment his 10 minutes and that a Member on this side be permitted to have 10 minutes, everybody else speaking on the amendment to restrict themselves to 5 minutes. We suggest that because of the fact the business of the day is heavy and we want to expedite this matter as much as possible.

Mr. MAHON. Mr. Chairman, reserving the right to object, the unanimous consent request should, of course, include a request that this time not be taken out of the time of the gentleman from Tennessee [Mr. GORE].

Mr. PLOESER. It cannot, because the gentleman has not been recognized.

Mr. MAHON. I think it would be well to have 10 minutes on this side and 10 minutes on the gentleman's side on this amendment, and when the unanimous consent request is granted, then it will be in order to request further time.

Mr. PLOESER. May I ask the Chair if it is possible to get unanimous consent agreement on that?

Mr. GORE. Mr. Chairman, if the gentleman will yield, if the gentleman wishes to take that position, all that is required is to make the statement that beyond the two 10-minute periods he will object to further requests.

Mr. PLOESER. I would prefer not to be put in the position of a perpetual objector. I would rather have the agreement of the Committee on that. If the gentleman will yield to me to make a unanimous consent request at this time, then, Mr. Chairman, I ask unanimous consent that the author of the amendment be permitted to speak for 10 minutes and that one Member on this side be permitted to speak for 10 minutes, and all other Members speaking on this amendment be restricted to 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. GORE. Mr. Chairman and gentlemen of the Committee, the amendment which I have offered is for the purpose of restoring to the bill an amount of $4,000,000, which was stricken out by the committee, for the purpose of beginning the construction of a steam generating plant by the Tennessee Valley Authority at New Johnsonville, Tenn.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from New York.

Mr. COUDERT. The gentleman uses a term that I think is misleading, namely "restoring." Does the gentleman refer to the fact that TVA asked for the fund, because the committee struck nothing out of the bill?

Mr. GORE. I mean that TVA requested and the Budget recommended the item. It is to restore to the bill the item as contained in the budget which was stricken out by the committee.

I would like to take this brief time to talk primarily to the Members of the majority party who represent in part, as we do on the minority, the people who own this largest integrated utility system in the world. Now, whether you or

I or other people think that the Government should own an electric utility system or not, is a moot question. It is an established fact. It seems to me that the fundamental question then must be whether we, as representatives of the owners of this utility, should operate it in a businesslike manner, in an efficient manner.

Throughout the country there is one phrase that has a familiar sound, as I said yesterday, and that is power shortage. No major commodity has seen the increase in demand which has been the experience of electric energy. Since 1920 the use of electricity has doubled about three times. Just since 1941 we have had a phenomenal increase. In 1941 the country used 164,000,000,000 kilowatt-hours. By 1947 that had jumped to 255,000,000,000 kilowatt-hours. The experience thus far in 1948 indicates that the country will use more than 280,000,000,000 kilowatt-hours of electricity this year.

Throughout the country generating facilities are being put to sore tests to meet demand. The great private utility industry, with $15,000,000,000 invested in their plants, have plans to increase their capacity by $5,000,000,000 within the next 5 years. Other public-power agencies likewise have plans. So does the TVA.

Our experience in power use in TVA has been similar to that in the remainder of the country, except the increase has been more phenomenal.

To deny this utility, which serves an area of 80,000 square miles, in which more than 5,000,000 people live, and which is the sole supplier of electricity in that area, the increased capacity which it must have to meet the demands is to deny the public service concept of a utility that is accepted in each of our 48 States, and that is accepted in fact by the Federal Government through agencies created in part for the purpose of seeing to it that utilities, whether electric, whether communication, whether transportation, adequately serve their service areas.

The TVA now comes forward with a recommendation to build a steam generating plant to firm up the hydro. What do we mean by that? It is nothing new in a hydro system. Throughout the country steam plants are used to firm up the valleys, the dry seasons of hydro systems. In the beginning of TVA the ratio between steam and hydro in the Tennessee Valley was about 30 percent steam and 70 percent hydro. As hydro generators were added the ratio went down, until in 1939 Congress appropriated funds to build a large steam generating plant at Watts Bar. That raised the ratio of steam again. Since then additional hydros have been added until the ratio now is about 84 hydro to 16 steam. That is a wholly uneconomic relationship, because it allows a very large block of secondary or dump power. That is a product that must sell at cut-rate prices. It is not salable to or usable by municipalities and the REA's. They are interested only in the power that is there any time and all the time.

What are the objections? The first objection raised here is one of legality. The private utility industry has no further investment in the Tennessee Valley. Why they should be bothering us I do not know. Yet having lost all of their legal battles in all of the courts, they come to the Congress shouting illegality and unconstitutionality.

As a matter of fact, I think the TVA Act itself clearly authorizes steam plants. Let me read you just one line of section 4. It says that the TVA shall have power to acquire or construct "powerhouses, power structures, transmission lines," and so forth. In other places in the act the specific words "steam plant" are spelled out.

Of course, powerhouses and other power structures cannot be interpreted as excluding steam generating facilities. Indeed, a steam-producing plant is a powerhouse. So this business of illegality seems to me to be coming rather late. Congress has heretofore provided steam plants, and the question was not raised. In fact, TVA operates five steam plants now.

In order to firm up the power which is the property of the people whom you and I represent and make it worth more, additional generating capacity from steam is needed. Furthermore, it is needed in this area.

You know, it seems to me rather ironical that this move to put a ceiling on the productive potential in this great valley of America should come within the same hour that the House of Representatives has given final approval to the 70-group Air Force program. Do you know where you are going to get the aluminum in 1951, 1952, and 1953? Do you know that the TVA at one time furnished the power that was used to make 51 percent of the aluminum which went into our war planes? It takes longer to build a generating facility than it does to build an airplane factory. The real bottleneck in airplane production is the power to produce aluminum.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield.

Mr. PLOESER. I think the gentleman should recall that in the closing days of the war, we had some surplus of aluminum. The gentleman will also recall unto himself, at least, that the power facilities which produced the power to produce the aluminum which the gentleman is talking about are still in the valley and have not left.

Mr. GORE. I recognize fully the truth of the gentleman's statement, but there are other factors that must be recognized. One is the increased demand of homes, stores, factories, and farmers for electricity. Even now the capacity to produce power is being sorely put to the test to meet the demand. What would happen if another emergency should again make it necessary for us to build 50,000 planes a year? Brown-outs and black-outs would be our fate.

I do hope the Committee will recognize that this utility is the sole supplier of power for 5,000,000 of our fellow citizens. It has the obligation of the utility to serve the area and I hope you will let it do an efficient, businesslike job.

Then, much has been said of preference customers. Let it not be forgotten that the Federal Government and its agencies as well as local governments and cooperatives are preference customers. Taken together, these so-called preference customers use in the neighborhood of two-thirds of the generated energy.

Without additional generating capacity, even though direct industrial customers are denied energy, we face an acute power shortage.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have read the debate and the remarks of the gentleman from Tennessee [Mr. GORE] which he presented yesterday afternoon and have had a chance to look over the committee report, to study some of the testimony on this proposition of spending $84,000,000 for an auxiliary steam plant in the Tennessee Valley. If we accept the argument that people are there now and that people are going there, together with the argument that the Federal Government should finance an extension of this plant on 2-percent money, and that the people in my district who buy bonds and pay taxes, for instance, should buy electricity from private industry which pays around 6 percent for the money that they use in building the plants that serve the people in my district, both home owners and industrial users—I say that if we accept that type of philosophy, perhaps the day will come when every community in the United States will feel that the Federal Government should come in and furnish this power and these kilowatts in their homes and factories. It seems to me that we have now come down to the real issue on the Tennessee Valley Authority. It started out as a flood-control proposition, as a matter that would take care of navigation and floods. Communities have been built and industries have been established. When I say "industries," I mean big industries; so-called multi-million-dollar corporations; big industries. Why should they not flock to a community where the Government furnishes such facilities?

We are now being requested to step out of the field of navigation and flood control into the field of supplying a super public utility, financed by Government funds on a 2 percent interest basis, to meet the requirements of growing industry and growing population.

The gentleman from New York [Mr. COUDERT] yesterday presented some arguments. I think his presentation was brilliant from a legal standpoint. He went back into the opinions and decisions of the courts, back into the organic act and the fundamental approach to this whole proposition.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GORE. I would like, in that connection, to point out that all of the citations given by the able and distinguished gentleman from New York [Mr. COUDERT] were statements made and opinions rendered before the act of 1939, by which this Congress approved, authorized, and made an appropriation for the

TVA to purchase all of the utility operating concerns in that area, and thereby, with the approval of Congress, become the sole supplier of electricity in that region.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. COUDERT. Let me say to the gentleman that with respect to the judicial colloquies, yes; but if the gentleman will examine the report he will see from the statement of the Senate committee, which reported out the Commonwealth & Southern bond authorization, that it thought primarily of the preferential customers in the valley, and did not agree that it was establishing an unlimited utility.

Mr. CRAWFORD. When this was before us in 1939, I do not recall that a bill of goods was sold to Congress and to the country to the effect that if the money was furnished to purchase the private utilities within a certain area, in due course this Government utility would come here and ask us to provide $84,000,000 with which to build an expansion of this plant in the form of steam kilowatt production so as to start out on the idea that the Federal Government was going to furnish all of the kilowatt-hours required by that territory, irrespective of how big it might grow, both from the standpoint of population and industrial needs.

I think this amendment should be voted down. The $4,000,000 has never been in this bill. It is the initial start on an $84,000,000 job, and I am opposed to it.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY of Tennessee. Mr. Chairman, I am heartily supporting the amendment which would provide an increased appropriation of $4,000,000 for TVA for the purpose of commencing construction of a steam plant by the TVA at New Johnsonville, Tenn., in the midwestern area of the TVA power system.

The plant would have three generating units, each capable of producing 125,000 kilowatts of power. The power from the steam plant, together with the capacity of new hydro units to be installed, is absolutely essential and necessary to meet the rising demand for electricity in the TVA area resulting from the general economic growth of the region and the heavy increase in the use of electricity by residential, farm, commercial, and industrial customers.

When the TVA was established by Congress in 1933, the Tennessee Valley was one of the low-income areas of the Nation although it was richly endowed with natural resources. The per capita income was only 40 percent of the national average in 1933 and by 1945 it had risen to 58 percent of the national average.

The TVA Act expressly provides that the TVA Board is authorized to furnish and operate facilities for the generation of electric energy in order to avoid the waste of water power and to transmit and market such power. TVA belongs to the Federal Government and the TVA will pay back into the Federal Government under an amortization plan over a period of 40 years the entire cost of the construction of the steam plant.

In 1933 when the TVA began, only one farm in 28 in the Tennessee Valley had electric service. Today one out of every two farms there has electricity. In 1933 all of the farms in the area used a total of only 10,000,000 kilowatt-hours a year; last year some 300,000,000 kilowatt-hours were used on farms. From 1945 to 1947 the annual use of electricity by residential users there increased about 60 percent or from 900,000,000 kilowatt-hours to about 1,500,000,000 kilowatt-hours. In the next 5 years the use of electricity in the homes and on the farms of Tennessee Valley is expected to double.

Today there are 140 municipalities and cooperatives that are buying and distributing TVA power in the valley. TVA is the sole supplier of electricity for the entire region. It is the generating company, the transmitting company, and the wholesaler of electricity for the area. The commercial and industrial load of these municipalities and cooperatives is growing rapidly. Small private enterprises are increasing, such as retail stores, filling stations, beauty shops, restaurants, hotels, tourist camps, and manufacturing plants. From 1945 to 1947 20,000 such small business enterprises were established in the valley and the increase in the use of electricity for the period was 60 percent. In addition, during the past 6 years, 1,500 new establishments such as canneries, milk processing plants, cheese plants, quick-freezing plants, furniture and other woodworking factories, cold-storage plants, and food processing plants were located in the Tennessee Valley.

The Tennessee Valley covers portions of seven States, has an area of 80,000 square miles and a population of over 5,000,000. The TVA is now serving 800,000 consumers and expects to add 100,000 farm consumers within the next 2 or 3 years.

The public distributors of TVA power expect to use over 8,000,000,000 kilowatt-hours in 1952 or 65 percent more than they used in 1947. Last year the 140 municipalities and cooperatives who distributed TVA power spent $23,000,000 for transformers, new lines, and other distribution facilities.

Private power companies are vigorously opposing this appropriation for the steam plant. Their many representatives in Washington have been unusually busy spreading propaganda against the appropriation. They are using their fight against the building of this steam plant as a smoke screen to cover up their vicious and unwarranted assaults and attacks upon the entire TVA program.

The high-powered representatives of the private power companies in Washington, Mr. P. L. Smith, president of the National Association of Electric Companies, who is reputed to draw a salary of $65,000 per annum for his services, and their general counsel, Mr. Raymond T. Jackson, of Cleveland, Ohio, appeared before the subcommittee of the House Appropriations Committee which considered the TVA appropriation and vigorously opposed any appropriation for the building of the steam plant.

While the private power lobby claims it is only opposing the construction of the steam plant, the truth of the matter is that the private power companies are eager and determined to cripple, hamper, and obstruct the entire TVA power program, if they cannot destroy it entirely or take it over for themselves.

There is not a single private power company doing business in the Tennessee Valley. They do not have one penny invested there and residential, rural, commercial, and industrial users of electricity in the valley must depend entirely on the TVA for their power. The private power companies are waging a campaign to absolutely stop all further development of TVA. They are determined that the capacity of TVA for generating electricity shall not be expanded. They are endeavoring to put a ceiling on power supply in the TVA region. They do not and cannot contend that the power to be generated from the proposed steam plant is not needed for the future use of the 140 municipalities and cooperatives in serving residences, farms, small business enterprises, small factories, and larger industries.

They do not and cannot claim that they will be injured in any way if the steam plant is built since they have no competitive investment in the TVA area. The increasing demands of the Tennessee Valley for additional electricity can only be met by TVA.

The proposed steam plant will help to balance the hydro capacity of the TVA. The private functions of steam plants is to provide a portion of the power requirements during dry years. Steam plants are needed to "firm up" hydro power during extended dry periods. The more hydro power is developed, then the greater the need is for increase in the quantity of steam power for use in dry periods. TVA already has five steam plants in operation and in 1940 Congress appropriated the money to TVA for the construction of a steam plant at Watts Bar. However, in 1936 the proportion of generating capacity of steam plants to hydro plants of TVA was nearly one-third. Today is is well below 20 percent. If the new steam plant at New Johnsonville is built, then the proportion will only be a little above 20 percent. The desirable ratio between hydro and steam is about 75 to 25.

All over the United States power demand is pressing hard upon supply. The Federal Power Commission says that the entire Nation today is short of power. The private power companies recently announced that they would spend $5,000,000,000 in an expansion program.

I wish to say frankly that the private power companies in opposing this steam plant are "fouling their own nest." They are making a great mistake and their despicable tactics in this campaign against the project will react against them in the future. Their short-sightedness, their greed, their selfishness and their conduct in this fight against the further expansion of the TVA will not enure to their benefit.

The private power lobby is spreading all kinds of false, insidious propaganda in an effort to defeat the appropriation for the steam plant. They are saying, without foundation, that the TVA is planning to enlarge its territory or area to serve new customers. They are appealing to sectional prejudice by claiming that the TVA is trying to lure industries away from other sections of the Nation to the Tennessee Valley. Officials of the TVA have expressly stated that it has no intention of expanding its territory and that the additional power generated by the proposed steam plant will be distributed entirely to the 140 municipalities and cooperatives now being served by them.

The private power companies would fix a ceiling on the progress and prosperity of the people of the Tennessee Valley and would prevent further improvement and development of the TVA region by stopping the further generating capacity to produce additional power. It certainly is not up to private companies to determine what are to be the limits on available power. This is a question to be determined by Congress.

Surely Congress is not going to do anything that will impede or interfere with the progress and development of the TVA region. This area is doing everything possible to enjoy economic growth with a well-balanced program of both agriculture and industry. The new per capita income of their people is far below the national average. However, these people have made a magnificent recovery since the days of reconstruction after the War Between the States. At that time the people of the Tennessee Valley were prostrate, poverty-stricken, and with little hope for the future, although they were still proud, resolute, and determined to overcome their plight. They made a long, hard fight to rehibilitate themselves and through grit, perseverance, and industrious habits they have established prosperity and progress. They have had no ERP or other relief or rehabilitation program to assist them.

It is certainly strange that the private power companies would now be striving to stop the economic development of the TVA territory just because TVA has been such a great success.

A reduction in power capacity of TVA below the demands of normal load growth would be a great blow to the future development of the Tennessee Valley and would bring stagnation as electricity is the lifeblood of economic development. Surely Congress will not penalize the TVA region in any such manner. This is not a sectional or partisan question. All sections of our great Nation are dependent upon the other sections. Prosperity in one section contributes to the prosperity of other sections. Every part of our country is interested in the progress and economic development of all other parts of the United States.

Economic growth in the Tennessee Valley not only rests upon a stronger, diversified agricultural program but also upon a sound industrial development. TVA is the greatest blessing and asset that the Tennessee Valley has enjoyed since reconstruction days and its program of expansion must not be stopped.

In my opinion there soon will be a serious shortage of power throughout the Nation. This is certainly not the time to stop construction of any hydro or steam plant anywhere in the United States. This would be bad enough in normal times but with unsettled world conditions as they are and with our country starting a vast preparedness program in order to be prepared for any emergency it would be terrible and dangerous to our national security to curb power production. During World War II TVA furnished about three-fourths of its power output to wartime production. It furnished power to the atomic bomb plant at Oak Ridge, Tenn., to the Wolf Creek ordnance plant, the Huntsville, Ala., arsenal, and to various military installations such as Camp Campbell, Ky., and the Smyrna, Tenn., air base. It produced 60 percent of the total supply of military phosphorous and at one period during the war furnished the power for the manufacture of 51 percent of all aluminum going into war planes. Both the Aluminum Co. of America and the Reynolds Metals Co. have large plants in Tennessee Valley which are furnished with TVA power. If we are forced into another war, then there will be greatly increased demands for electricity for war requirements over the demands of World War II. TVA will not be in a position to furnish all the power needed for war production unless it can expand the capacity of both hydro and steam plants. The TVA Act recognizes the authority of the TVA to build steam plants, and I hope the membership of the House will approve the pending amendment.

The act establishing the TVA in 1933 expressly stated that it was being created in the interest of national defense and for agriculture and industrial development, as well as for the improvement of navigation in the Tennessee River and for controlling destructive flood waters in the Tennessee River and Mississippi River basins. It also provides for the maximum generation of electric power consistent with flood control and navigation.

The people are rapidly becoming familiar with the subtle methods and deceitful propaganda of the power lobbyists in their irresponsible attacks upon TVA. They know that the private power trust has bitterly opposed the progress of TVA since its inception and that since 1946 they have been conducting a campaign to stop any further expansion of TVA electric power. It seems impossible to reform the Power Trust. They will learn nothing from experience.

Our water resources belong to the people and must be developed for the benefit of all the people; they must not be controlled and exploited by private power companies. The people of the Tennessee Valley, who really know what TVA has meant to the development of the valley, laugh at the ridiculous claims and false charges of the power lobbyists against the progress of TVA. They fully appreciate what a marvelous job TVA has done in providing power at low cost, in controlling floods, and in improving navigation of the Tennessee River. They see their soil conserved and enriched by the proper use of concentrated phosphates and their forests and woodlands protected and developed.

The TVA has contributed more to the economic development of the Tennessee Valley than any other factor. I only wish all of the people in all sections of the United States knew the true story of TVA and its wonderful accomplishments. It was TVA's ability to supply adequate power that caused the location of the great atomic bomb plant at Oak Ridge, Tenn. Today power is being supplied to the people of the Tennessee Valley at a saving of more than $11,000,000 a year. Residential consumers are using 50 percent more electricity than the average residential consumer in the United States and are paying 20 percent less money for it.

The story of TVA is a story of economic development, agricultural diversification, soil and forest conservation, and industrial and commercial development of which everyone should be proud. Of course, the private power trust wants to suppress or distort the true story of the success of TVA.

The unfair campaign of the power lobbyists against TVA is not in the public interest and they will never destroy TVA.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. JOHNSON of California. Mr. Chairman, I move to strike out the last two words.

Mr. JOHNSON of California. Mr. Chairman, Tennessee is a long way from California, but, in my humble opinion, wrapped up in this little amendment is the kernel of a very large question. This question is alive in California, in Colorado, in Montana, in Oregon, in Washington, and in all the reclamation States. I want to associate myself with those who believe that when the United States Government enters into an activity like the TVA it will go all the way to make that activity a success, we will give them the power and the money so that the work we have instructed them to do can be carried out.

In this situation the question may be asked: Why is this steam plant required? We have harnessed the waters of this great river. In order to get the most effective use out of a hydro development you have to have steam by-plants. Every private utility has them, all of the public utilities have them, that are owned in the various States by the Bureau of Reclamation, and the like. As I have listened to the debate and read the record in this case, the problem resolves itself

down to this: Do we wish to get the maximum amount of energy out of that river—Tennessee—that it can give us if we have the proper facilities to join with the hydroelectric plants? That is all it is sought to do by this steam plant.

We have the same identical problem in the Central Valley of California and as is the case here we have developed it and now that it looks as if it is going to be a success, the private utility wants to come in, take over and skim the cream off the facility that the United States is trying to develop. That is why I would like to see the House give TVA $4,000,000 to build their steam plant, to supplement the hydro developed by it. That would raise the hydro development to its greatest efficiency and usefulness.

The demand for electricity is mounting every week all over the Nation. Since we have resurrected this old war plant, since we have built it and made a success of it, since it has attracted industry and immigration to that part of the country, I hope we can give them this additional money in order to make better use of the hydro facilities on the Tennessee and the other rivers in that area.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Missouri.

Mr. PLOESER. Of course, the gentleman does not believe that the Tennessee Valley Authority Act authorizes anything for any part of California or any of the water districts, does he? There is no confusion about that.

Mr. JOHNSON of California. I understand that thoroughly, but, in my opinion, the principle involved in both cases is identical.

Mr. PLOESER. The principle involved is there is no authorization in the Tennessee Valley Act for the building of steam plants. The gentleman would not want to appropriate money for something that is not authorized by the Congress. He would not request that in the case of the Central Valley of California, would he?

Mr. JOHNSON of California. Certainly not; but, in my opinion, after reading the committee's report, the authority is in that act, sections 4 and 10, and I cannot find anything in the judicial opinion cited by the gentleman's colleague from New York which shows that the court has any idea that what is proposed by this amendment is not permissible under the act and under the judicial decisions. Furthermore, in the decision cited only six judges participated.

Mr. PLOESER. I hope the gentleman has read the statements of Mr. Lilienthal before congressional committees.

Mr. JOHNSON of California. I am not bound by the statements of Mr. Lilienthal. I have had considerable experience in statutory interpretation cases before the courts in my jurisdiction and I believe there is implied power in the act as it now stands to carry out this identical proposition that is comprehended by the pending amendment. The principle of whether we shall support a public project and make it effective and useful is the consideration involved in this amendment. It applies to the West, it applies to the Northwest, it applies to other places. I remember when Hiram Johnson and Phil Swing battled for 10 years to get the Colorado River Dam built. They came out to California and explained to us that the opposition was that $17,000,000,000 invested in public utilities was not going to tolerate the construction of that project, but, the project was built and has been a tremendous success.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. PLOESER. Mr. Chairman, reserving the right to object, there has been a unanimous-consent agreement that there will be no extensions of time.

Mr. RANKIN. That was not the agreement. The agreement was that there should be 10 minutes for one Member on the Democratic side and 10 minutes for one Member on the Republican side. There has only been one on the Democratic side. Now you have here one of the leading Republicans in the House, the gentleman from California [Mr. JOHNSON], trying to give you information and you do not seem willing to take it.

Mr. PLOESER. Mr. Chairman, I object.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the first session of the Eightieth Congress I had the honor and privilege of being chairman of the Subcommittee on Appropriations for Government Corporations. I believe I learned something about the TVA during the time I was chairman of the committee. The committee now, as you know, is in the hands of the very able gentleman from Missouri, and I want to back up the statements made by him, as well as the statements made by the other gentlemen on the committee who are opposed to this amendment. I am sorry that it was not possible for me to be present during the hearings on this bill but a very little time this session because of the fact that I have been attending the Subcommittee on Appropriations for the Interior Department, of which I am chairman, for the past 12 weeks almost daily. But I do want to say this to every Member of this House: We had better be thinking about the question—and be thinking seriously—as to whether we want the American people and their businesses to be controlled by the Government, or whether we want to continue the free-enterprise system, which has made America great. I think we should have stopped Government encroachment on business a long time ago, but certainly we better start stopping right now. There is no more reason for building this $84,000,000 steam plant in the Tennessee Valley than there is for the Government to build a steam plant for my town or Pumpkin Center or New York town or many other towns in America. They have no more authority and no more reason and are no more entitled to have a steam plant down there than people of any other place where there is any kind of industry or farming.

Now, the facts are that the private utilities surrounding TVA pay over 3 mills for every kilowatt-hour of power they produce in local, State, and Federal taxes. If the private utilities were tax free their rates could be less than TVA rates. You talk about firming up Government power. Well, bless your hearts. If the American people do not firm up the Treasury of the United States and keep firming it up every year, it will not be long until we will have no Government of the United States to operate, let alone the TVA. So, when you talk about firming up in this respect, you might just as well say that the Government should own the farms, in order to firm up the production of food and fiber. Like private utilities, the peanut vendor on the corner, the corner grocer, and the independent farmer have made this Nation great by paying his taxes to keep our United States Treasury firmed up. There is little reason to firm up any Government-controlled agencies to compete against private business which is called on to keep our United States Treasury properly firmed up with approximately $40,000,000,000 each year under our present fiscal program. There is no better time than right now to make a start in proving to private businessmen and our farmers that this Congress is determined to save free and private enterprise.

The pending amendment should be defeated.

Mr. COURTNEY. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COURTNEY. Mr. Chairman, it was suggested by members of our delegation that I discuss the contention made by the private power companies that the construction and operation of the proposed steam plant at New Johnsonville, Tenn., by the Tennessee Valley Authority would be unlawful under the Constitution, contrary to the stated purpose of the TVA Act, and without authorization under that act.

I shall do that briefly, and then, if time permits, refer to the proposal in a general way.

We might begin with the premise that the area served by Tennessee Valley Authority covers 80,000 square miles and has a population of 5,000,000 people, wholly dependent upon TVA for power supply as Congress has heretofore constituted TVA as the sole and exclusive manufacturer and distributor of electric power in that section. It serves 140 municipalities and cooperatives, as well as

directly serving some private industry and a number of important governmental agencies, including the atomic energy plant at Oak Ridge.

Hydroelectric possibilities in the region are virtually exhausted. While a few more dams might be built on small tributary streams, they could contribute little to the power reservoir, and the only feasible way in which that power may be increased, or rather firmed up so that it may be available in a constant flow the year round is by the construction of the proposed steam plant. Such an increase in power is absolutely necessary if TVA is to meet the ever-increasing demand for electricity in the area that it serves, a statement amply supported by the record of the hearings.

The constitutional authority for this undertaking is abundantly clear. The New Johnsonville plant would be used, as stated, for firming up hydro power and its construction would be clearly justified under the property clause of the Constitution—article IV, section 3, clause 2—as a means of permitting fully effective use of the Government's hydroelectric projects. These projects, as well as the electric power which they are capable of generating, are property of the United States—TVA Act, section 4 (h)—*Ashwander* v. *Tennessee Valley Authority* (297 U. S. 289); *Tennessee Electric Power Co.* v. *Tennessee Valley Authority* (21 F. Supp. 947 (E. D. Tenn., 1938) aff'd 306 U. S. 118 (1939)).

The property clause of the Constitution provides:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

The Supreme Court has said of the power conferred under this constitutional provision:

> The power over the public land thus entrusted to Congress is without limitations. "And it is not for the courts to say how that trust shall be administered. That is for the Congress to determine." (*United States* v. *San Francisco* (310 U. S. 16, 29-34 (1940)).)

There is no distinction between the powers granted by the clause with respect to territory and those granted with respect to other Federal property:

> The term "territory," as here used, is merely descriptive of one kind of property; and is equivalent to the word "lands." And Congress has the same power over it as over any other property belonging to the United States. (*United States* v. *Gratiot* (14 Pet. 526, 536-537 (1840)).)

With respect to any of its property, the Federal Government may exercise the rights of an ordinary proprietor—*Camfield* v. *United States* (167 U. S. 518 (1897)); *Light* v. *United States* (220 U. S. 523 (1911)); *Ruddy* v. *Rossi* (248 U. S. 104 (1918)). Among these rights is that of improving Federal property in order to enhance its usefulness and value. This right was exercised at least as far back as 1902, when the Reclamation Act, authorizing the Secretary of the Interior to establish, construct, and maintain irrigation projects, was enacted in order "to make marketable and habitable large areas of desert land within the public domain"—*United States* v. *Hanson* (167 Fed. 881, 883 (C. C. A. 9th, 1909)). The power of Congress to legislate for such a purpose was expressly upheld in the Hanson case and in *Burley* v. *United States* (179 Fed. 1 (C. C. A. 9th, 1910)).

Under the situation which now exists in the TVA service area, a steam plant might properly be constructed, under the commerce, power, and property clauses, whether or not it would serve to firm up hydro capacity. In *United States* v. *Appalachian Power Co.* (311 U. S. 377 (1940)), the Supreme Court had this to say with respect to the authority of the Federal Government over navigable waterways under the commerce clause. "Navigability in the sense just stated is but a part of this whole. Flood protection, watershed development, recovery of the cost of improvements through utilization of power are likewise parts of commerce control."

This doctrine was reaffirmed and reemphasized in *Oklahoma* v. *Atkinson Co.* (313 U. S. 508 (1941)).

These cases established that the Government may embark on a program of full-scale development for a given watershed and in so doing may proceed on the basis of an integrated plan which takes full cognizance of potentialities for the generation of electricity as well as for promotion of navigation and flood control.

Tennessee Valley Authority's statutory authority to construct the steam plant is clear. Section 4 (i) of the TVA act specifically authorizes TVA "to acquire real estate for the construction of dams, reservoirs, transmission lines, powerhouses, and other structures."

Section 4 (j) provides that TVA "shall have power to acquire and construct powerhouses, power structures, transmission lines, navigation projects, and incidental work in the Tennessee River and its tributaries."

Section 14, after providing for an allocation of the cost of the Wilson Dam, Norris Dam, and the Muscle Shoals nitrate plants, provides further "in like manner, the cost and book value of any dams, steam plants, or other similar improvements hereafter constructed and turned over to said Board for the purpose of control and management shall be ascertained and allocated."

Section 31 provides that the TVA Act "shall be liberally construed to carry out the purposes of Congress to provide for the disposition of, and make rules and regulations respecting, Government property entrusted to the Authority, provide for the national defense, improve navigation, control destructive floods, and promote interstate commerce and the general welfare."

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. COURTNEY. I yield to the gentleman from New York.

Mr. COUDERT. Does that section of the act make any reference whatsoever to the generation or sale of electric energy?

Mr. COURTNEY. Section 31 does not.

Mr. COUDERT. Is not that significant?

Mr. COURTNEY. Furthermore, the legislative history of the TVA Act demonstrates that Congress itself has consistently regarded the construction of steam plants as presenting no special constitutional or legal problem.

In 1939, Congress authorized the TVA to buy existing steam plants and clearly recognized in the course of considering the amendatory legislation involved that TVA might later have to build additional steam plants. Section 15 (c) of the legislation in question was enacted to make possible purchases by TVA of the generating and transmission-line properties of the Tennessee Electric Power Co. as well as similar properties belonging to other subsidiaries of the Commonwealth & Southern Corp. Congress was fully aware when it enacted these statutory provisions that the electric-utility properties which TVA intended to acquire, in accordance with a contract of May 12, 1939, included important steam plants at Nashville, Hales Bar, and Parksville, as well as several smaller plants. And these, with the original steam plant acquired with the Wilson Dam properties have been in operation for years.

From a constitutional and legal standpoint, there can obviously be no distinction between the Government's power to acquire and to construct steam plants for operation in conjunction with an existing federally owned hydroelectric system. Certainly Congress recognized no distinction.

Within 2 years after enacting the 1939 amendatory provisions just referred to, Congress specifically authorized TVA to construct the Watts Bar steam plant. That was Public Resolution No. 95, Seventy-sixth Congress, third session (54 Stat. 781 (1940)). This act became the law on July 31, 1940, 9 months before the limited emergency declared by the President on May 7, 1941, and 16 months before the United States was attacked by the Japanese.

The appropriation for the Watts Bar plant, as well as for other TVA projects, was for the stated purpose of carrying out the provisions of the act entitled "The Tennessee Valley Authority Act of 1933." Neither the hearings nor the subsequent committee reports and debates indicate that any constitutional or legal question was thought to be presented. The situation which existed then was basically similar to that which exists now. At that time the United States was in a state of defense emergency. Today the state of war has not been terminated and the international situation is unsettled and threatening.

Later, in the Independent Offices Appropriation Act of 1942 (55 Stat. 92, 118), Congress made an additional appropriation for the Watts Bar plant for the

stated purpose again of carrying out the provisions of the act entitled "The Tennessee Valley Authority Act of 1933."

If Tennessee Valley Authority had constitutional and statutory authority to construct the Watts Bar steam plant, it likewise possesses such authority to construct the new Johnsonville plant.

The distinguished gentleman from New York, and a very able lawyer [Mr. COUDERT], in his argument attacks the legality of the proposal, putting considerable emphasis upon a colloquy that took place between Mr. Justice McReynolds and special counsel for TVA, Mr. John Lord O'Brian, during the oral argument before the Supreme Court in the Ashwander case referred to above, in which Mr. O'Brian specifically stated that TVA had no intention of operating the steam plant that it had acquired with the Wilson Dam property.

In the first place, Mr. O'Brian was special counsel for the TVA in this one case only and that case was his only interest in TVA. Certainly TVA would not be bound by dicta that special counsel in one particular case uttered during the heat of argument before the bench.

However, that case was argued and decided in 1936, 3 years before Congress authorized the purchase by TVA of the assets of the private power companies within its area, including the steam plants, thus setting up TVA as the sole and exclusive supplier of electric power in that section. And it was decided 4 years before Congress specifically authorized the construction of the steam plant at Watts Bar.

As a matter of fact, the private power companies have been raising constitutional and legal questions with respect to the TVA Act since its passage 15 years ago. In every one of a half dozen or more lawsuits instituted invoking such questions, the power companies have been cast in the courts. Now, in desperation, having failed in the courts, they appeal to Congress to overrule the decision of the Supreme Court of the United States and other high tribunals.

Now the private power companies are bold enough to say, through their lobbyists at the hearing: "The Federal Government has and should have no responsibility and cannot lawfully assume responsibility for the supply of power needs for commercial, municipal, and domestic purposes within the area the TVA serves or seeks to serve, and for that matter any other area."

In other words, they say that all the things done by Congress with respect to TVA since 1933 and all the things done by the Tennessee Valley Authority itself since that time are unconstitutional, illegal, without statutory authority, null and void. On this premise, they reason, I presume, that all the dams should be destroyed, all the structures razed, all the transmission lines grounded, and the whole shebang wiped off the map so that private power companies could again move into the area with their exorbitant and unconscionable rates, with their discriminatory tactics, with their utter disregard for human welfare, and with their eyes single to profits and dividends.

Do we want to go that far? Of course not. But, if you vote against this amendment, you are making the first move in that direction. To deny TVA the right to maintain itself in a position to keep pace with progress, to deny it the right to maintain a position of ability to supply the ever-increasing demands of the region it alone serves, to clamp down a ceiling upon its right to grow along with the growth of the orbit that centers about it, to do that is to take the first step in the direction of its utter destruction.

And, now, Mr. Chairman, may I address myself to the proposition generally, first from a selfish standpoint, I grant you, as respects my district, the Seventh Congressional District of Tennessee, comprising 13 counties, with an area of 6,237 square miles and with a population of 231,592, served by the Tennessee Valley Authority.

When TVA started, 1 farm home in 28 in this district had electricity; now the ratio is 1 in 2. In the beginning, the average residential use of electricity was 600 kilowatt-hours per annum; in 1940, it had increased to 1,400, and by 1947 to 2,400. I do not have the figures of the number of consumers served in the early days of TVA in this district, but in 1940 there were 20,000, in 1947, 36,000, an increase of over 75 percent.

In 1940 the total sales of electricity in my district amounted to 80,000,000 kilowatt-hours; in 1945, at the end of the war, it ran to 125,000,000, an increase of over 50 percent.

Since the beginning of TVA, attributable not altogether to it, but to it in no small measure, the number of manufacturing plants in my district has increased from 78 in 1933 to 244 in 1946. The persons employed in private manufacturing has increased from 2,874 in 1933 to 9,587 in 1946. Retail sales rose from $24,157,000 in 1935 to $60,033,000 in 1946. Spendable income rose from $36,028,000 in 1934 to $116,503,000 in 1946, an increase of 189.3 percent. Bank deposits increased from $13,400,000 in 1935 to $68,034,000 in 1946, an increase of 242.3 percent.

In the next 5 years, TVA proposes to build 3,500 miles of new lines in the district and to serve 12,000 new families. If steam plant development and a firming up of its power is permitted this will be done. Otherwise, these 12,000 families are doomed to sit forever in darkness because there is no other source of electric supply.

And, now to approach the matter from the more unselfish standpoint of the seven States served by Tennessee Valley Authority, comprising, as I have said, 80,000 square miles with a population of 5,000,000 people, wholly dependent, by action of Congress, upon TVA for electric power, which serves in this area 140 municipalties and cooperatives. This additional generating capacity is of necessity required if TVA is to meet the growing need for power in its service area, a situation that is being faced and adequately prepared for by every private power industry in the country. In 1933, as I said with respect to my district, when TVA began 1 farm in 28 had electric service, now 1 in 2 have service. In 1933, all the farms in the area used a total of only 10,000,000 kilowatt-hours; last year some 300,000,000 kilowatt-hours were consumed. They must use much more power to provide the stable diversified agriculture which this region's prosperity demands. In a 15-year period, 1,800 new manufacturing plants have sprung up and, contrary to the opinion expressed by many, there has been no luring of industry from other sections. Of these 1,800, only 4 moved into the Tennessee Valley from other established sites. The new industries are mostly home-owned and home-controlled. Employment is up in this area 161 percent.

In 1933, the total of the national income taxes paid from this area was 3.4 percent; in 1946 it was 6 percent of the total.

Judging the future by the past, and guiding our prediction by the light of experience, 65 percent more power will be needed in 1952 than in 1947. Such progress must not be denied.

Recently this country embarked upon a European recovery program that will entail the expenditure before its conclusion of some $17,000,000,000, a great portion of which will be in the form of an outright gift to the participating countries in Europe. Surely this initial $4,000,000 appropriation for the erection of this vitally necessary steam plant, that in the end will cost only $52,000,000, cannot be denied.

This appropriation sought will not be a gift, but a loan that is certain to be repaid. Congress has heretofore set up a 40-year amortization plan whereby TVA, out of its earnings from the power system, is called upon to pay back to the Government, in quarterly payments, the amount of the investment of Federal funds in the TVA power system, covered by appropriation and transfer of property. It is meeting these installment payments promptly, and of course this appropriation will be included in the amount ultimately to be repaid.

And now to look at the proposition from the wholly unselfish standpoint of national interest. I call your attention to the fact that TVA now serves many large governmental operations, the atomic energy plant at Oak Ridge, TVA's own chemical plant at Muscle Shoals, and a large variety of military establishments. Among its important customers, too, is the plant of the Aluminum Co. of America at Alcoa. During the war about 80 percent of TVA's total power was going into outlets that could be classed strictly as wartime production, and during that time it furnished power that provided for the manufacture of 51 percent of the aluminum going into war planes. During the war,

too, TVA produced 60 percent of the total supply of phosphorus used by the armed services for phosphorous bombs, smoke screens, and various military weapons.

With world conditions unsettled as they are, as we rush with haste to bring our Military Establishment up to strength, as we propose to draft some of our boys for service and expect to impose universal military training upon others, are we to deny this necessary steam plant to the TVA, one of the greatest single contributors that we had to our recent war effort and final victory? And thereby say in effect, "We are not interested in seeing you move ahead to keep pace with other power companies. We are not interested in seeing you maintain a position where you can help again in an emergency, but at the behest of jealous private power companies, we are going to withdraw our support and turn you adrift."

I do not believe that we want to do that. So, if you want to vote down the interests of your country and vote up the reasoning and theory of a $65,000-a-year power company lobbyist who is behind the opposition to this proposal and who figured largely in the hearings, then vote against this amendment. If you want to vote up the interests of your country and vote down the avarice of the power companies, then vote for this amendment.

Mr. DONDERO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment indicates how far Government ownership and state socialism has fastened itself upon the free government of the United States. First of all, I want to say to the Members of the House that I am in favor of developing whatever power may be developed in the river basins of this country. What I am opposed to, however, is the encroachment of the Federal Government upon private enterprise and private investment. I introduced a bill which provides for the sale of power at the bus bar or dam at wholesale rates wherever that is possible. Where that is not possible, then and then only would the Federal Government be authorized to build transmission lines to take the power where it could be utilized.

Some very interesting things were developed in the hearings on that bill. First, that there is no uniform public policy for the production and sale of electric energy in the United States.

Second, there is one formula provided by the Federal Power Commission used for the fixing of rates on public power or power produced by the Federal Government.

Third, there is another formula provided by the Federal Power Commission for the fixing of rates on power produced by private enterprise or private investment.

Fourth, it was openly admitted that if the same formula was prescribed for both public power and private power, the rates would be exactly the same. In other words, the statement made to the American people that the Federal Government can produce electric energy cheaper than private enterprise is simply fooling the people, because Government pays no taxes—Government has other advantages that private industry does not have. These Federal power projects are subsidized by the taxpayers in other parts of the country. Therefore, private enterprise cannot produce electric energy at the same rate public power is produced.

Fifth, as long as section 5 of the Flood Control Act of 1944 remains on the books, there will be no such thing as private enterprise being able to buy public power produced at any of these public or Federal dams—or very little, to say the least.

Sixth, because of Federal competition at this time in the electric power field, private power companies are finding it difficult to borrow money at a low rate. It is costing them more because the risk is much greater.

Mr. Chairman, I want to repeat that I am not opposed to the production of electric energy in our river basins where the Federal Government owns the water or can construct dams for the production of power, but I am opposed to the Federal Government building transmission lines in competition with private investment already in the field and serving the area or otherwise competing with its own citizens in the same business.

I am opposed to the Federal Government sending its agents throughout the land telling municipalities and other political or governmental units that they can buy power cheaper from the Federal Government than from private enterprise, thereby practically destroying private enterprise and private investment all through this country.

Perhaps people do not know that more than one-third of all money invested in public utilities—I mean owned by private corporations—is held by the life-insurance companies of this Nation. About 75,000,000 policyholders of the country could very well be affected by the destruction of these utilities throughout the land.

This amendment to build a steam plant under the TVA costing $84,000,000 before the House this afternoon simply indicates how far we are going in the direction of public ownership and state socialism. I think this Congress owes a duty and a responsibility to the people of the Nation to fix a public power policy that is definite, that private enterprise can depend on—one that will not destroy private investment through competition by the Federal Government. If that is not done, it seems to me we are well on the road to nationalization of the power and light industry and adopting socialism in this country. If that is so desirable, why not extend it to the coal mines, why not extend it to the meat industry, why not extend it to the railroads and communications, why not extend it to the automobile industry in my State? After we have done all that, it seems to me, we have substituted Russia for America—and I am bitterly opposed to it.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DONDERO] has expired.

Mr. PLOESER. Mr. Chairman, I wonder if we can come to some agreement as to time on this matter. It has been indicated on this side that probably 30 minutes would be necessary.

Mr. WHITTEN. It is apparent that we still have quite a number on this side who want to talk. I wonder if we could not proceed for a short time and then see what we can do.

Mr. JENNINGS. May I say that I want the extremely long period of 5 minutes to unburden my soul on this matter.

Mr. PLOESER. Very well, Mr. Chairman, I will not press the matter at this time.

The CHAIRMAN. The gentleman from Mississippi [Mr. RANKIN] is recognized.

Mr. RANKIN. Mr. Chairman, it is most interesting to me to listen to the remarks of the gentleman from Michigan [Mr. DONDERO], who has consistently voted against all of these water-power developments ever since he has been a Member of Congress.

As I pointed out yesterday, I was co-author with Senator Norris of the bill creating the Tennessee Valley Authority. It never occurred to me that anybody would question the right of the TVA to build a steam plant to firm up its power production in the dry season.

In Mr. DONDERO's home State of Michigan some of the outstanding cities, including Lansing, the capital, have public power systems, and have built their own steam plants. Did they have to get a constitutional amendment or authority from the legislature in order to do that? No, certainly not.

If the gentleman's policy were carried out, it would shut the door in the faces of the people of California, of Oregon, of Washington, of Missouri, Ohio, Illinois, and of all of the other States that border on the great streams of this country.

Now, let us see about this stand-by proposition. Two of the outstanding cities of the Northwest that have water-power systems have stand-by plants. They are Seattle and Tacoma. Let us just take Tacoma. The reason I am taking Tacoma instead of the Tennessee Valley Authority is the fact that the city of Tacoma pays a greater rate of taxes than the private power companies pay, generally, throughout the country.

In 1946, leaving out rural electrification and street lighting, this country used 170,471,000,000 kilowatt-hours of electricity for which the people paid $3,134,000,000. Under the Tacoma rates, where they pay a higher rate of taxes than the power companies pay on the

average in the States of the Union, the people of this country would have saved on those bills $1,736,935,000.

Here is a table showing the number of customers in each State during the year 1946, the amount of electricity used in each, the costs, and the overcharges according to the Tacoma rates.

It does not include the power used by the REA, nor that used for street lighting.

The table referred to follows:

TABLE 4.—*Total electric sales, 1946*

State	Estimated sales data for 1946			Estimated revenues and consumer savings under rates in effect in Tacoma, Wash.	
	Number of customers	Total kilowatt-hours (thousands)	Total revenues	Revenues	Savings
Alabama	398,607	4,356,487	$41,257,600	$21,233,246	$20,024,354
Arizona	132,114	738,746	12,890,900	5,168,521	7,722,379
Arkansas	239,146	861,894	19,785,300	8,685,831	11,099,469
California	2,523,882	12,358,139	202,757,800	116,622,361	86,135,439
Colorado	299,995	914,316	24,443,200	10,293,129	14,150,071
Connecticut	569,918	2,619,600	61,082,700	24,490,377	36,592,323
Delaware	78,338	374,929	8,059,200	3,167,544	4,891,656
District of Columbia [1]					
Florida	561,226	1,883,018	53,038,700	19,088,956	33,949,744
Georgia	541,667	3,075,122	51,371,200	25,314,139	26,057,061
Idaho	150,512	948,708	13,116,600	7,054,179	6,062,421
Illinois	2,241,842	10,312,725	215,907,400	90,650,479	125,256,921
Indiana	986,500	4,647,417	91,592,300	39,683,906	51,908,394
Iowa	650,580	2,089,404	50,714,500	22,258,519	28,455,981
Kansas	434,425	1,594,040	36,937,100	15,756,718	21,180,382
Kentucky	486,704	2,038,108	37,105,600	17,381,165	19,724,435
Louisiana	459,209	1,882,175	36,773,200	14,171,497	22,601,703
Maine	259,024	1,002,843	19,986,200	8,071,585	11,914,615
Maryland and the District of Columbia	672,449	3,733,721	67,173,400	32,628,045	34,545,355
Massachusetts	1,403,149	4,779,314	125,970,600	47,141,126	78,829,474
Michigan	1,663,083	8,132,323	157,096,600	70,188,561	86,908,039
Minnesota	729,201	2,453,132	60,841,800	26,296,867	34,544,933
Mississippi	257,620	875,469	18,769,600	7,979,355	10,790,245
Missouri	907,582	3,539,291	74,588,000	34,149,940	40,438,060
Montana	136,030	1,494,597	14,483,000	7,332,727	7,150,273
Nebraska	296,696	885,504	21,419,600	10,119,500	11,300,100
Nevada	39,261	237,858	4,908,900	1,918,899	2,990,001
New Hampshire	168,654	538,640	13,472,300	5,225,253	8,247,047
New Jersey	1,382,696	5,478,749	130,362,900	51,159,550	79,203,350
New Mexico	89,563	222,952	7,360,500	2,609,893	4,750,607
New York	4,346,964	17,986,088	386,053,800	142,946,700	243,107,100
North Carolina	610,833	3,688,483	55,157,306	27,013,332	28,143,974
North Dakota	109,060	226,577	8,089,100	3,164,619	4,924,481
Ohio	2,075,114	11,956,519	204,726,000	94,860,533	109,865,467
Oklahoma	435,346	1,417,868	33,541,700	13,893,864	19,647,836
Oregon	382,791	2,644,324	32,405,600	19,378,153	13,027,447
Pennsylvania	2,671,383	15,243,355	264,280,700	120,291,984	143,988,716
Rhode Island	230,533	846,905	22,141,400	8,078,167	14,063,233
South Carolina	294,105	1,775,935	25,129,894	12,519,245	12,610,649
South Dakota	109,501	256,836	7,956,900	2,949,439	5,007,461
Tennessee	545,508	6,585,398	48,614,600	30,762,662	17,851,938
Texas	1,361,029	5,772,869	113,938,900	50,005,860	63,933,040
Utah	169,476	753,484	13,768,000	6,904,144	6,863,856
Vermont	106,619	377,529	9,454,800	3,887,244	5,567,556
Virginia	563,579	2,695,221	51,552,500	21,865,058	29,678,442
Washington	612,326	7,419,987	62,485,800	39,219,113	23,266,687
West Virginia	356,301	2,808,377	41,110,500	18,070,539	23,039,961
Wisconsin	837,850	3,767,909	75,940,700	34,121,239	41,819,461
Wyoming	58,628	178,997	5,085,500	1,990,850	3,094,650
United States	34,636,619	170,471,882	3,134,700,400	1,397,764,613	1,736,935,787

[1] Included with Maryland.

This steam plant is merely to firm up this power during the dry season in order to carry out the purposes of the original act.

Just as surely as the sun shines you are going to need the same provision in practically every State in the Union.

Take the State of Ohio that has 10,000,000,000 kilowatt-hours of electric energy running to waste in the Ohio River every year. When the dams on that stream are rebuilt so as to generate that vast wealth of power, it is going to be necessary to build steam plants in order to firm it up to the peak of production during the dry season.

Take the people in the Northeast along the St. Lawrence River. As I pointed out yesterday, when they develop those billions of kilowatt-hours and provide a yardstick for that area, it will bring rates down from two to three hundred millions a year. Then they will need steam plants to firm that power up to the peak of production.

Take the New England States that have been freezing during this last winter, because of the lack of power, whenever they screw their courage to the sticking place and join those of us who believe in developing the water power of the Nation, and proceed to harness the water power of New England and the other Northeastern States, they are going to need steam plants in order to firm that power up to the peak of production.

Take also the Central Valley of California. Oh, the battle that has been waged here and the expenses the Power Trust has paid for propagandists to come to Washington and fight against the building of steam plants in the Central Valley; if that power were firmed up and supplied to the people of northern California at the rates the people of southern California are receiving power from Hoover Dam, the people of the State of California would save, according to the Tacoma rates, $86,135,439 annually.

Take the State of Colorado, take the State of Missouri, if you please, with the Missouri River, not only with its waters going to waste but destroying hundreds of millions of dollars' worth of property by floods; when that river is developed and that 10,000,000,000 kilowatt-hours of electricity that is going to waste in that stream is made to serve the people of that great section of the country, they too will need steam plants to firm up the power to peak production during the dry season.

It will also serve Iowa, Kansas, Nebraska, Montana, North and South Dakota, and much of the rest of that great Northwestern country.

And along the Columbia River the people are going to need steam plants in the years to come in order to firm that power up to the peak of production.

Remember that every dollar of the money invested in this plant will be paid back with interest. It is not like giving money to Europe or Asia.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we should get a rational approach to this problem. Out of $440,000,000 that the Government has invested in this Corporation at the present time, $10,500,000 has been paid back. It is proposed in this proposition to pay back $5,500,000. What rate of interest is that? One and a quarter percent.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. TABER. Not at this time. The gentleman can get his own time.

The rates in the TVA are set so low that the people in my district and your districts are paying the electric-light bills of people in the TVA area. Now, that is just the situation, and we might as well be honest about it.

Of course their rates are low.

Now, let us analyze this steam plant business for a minute. Why do they want to build the steam plants? Because the TVA in its set-up has made contracts with the big users of electricity and with the municipalities prohibiting them from building any steam plants that would allow them to generate this cheap power. That is the reason.

We all know that in building and operating a steam plant private industry can do it much cheaper than the Government. Bearing those things in mind, we should meet this situation face on and meet it honestly, so far as our constituents are concerned. I do not want to go back to my people and say that I voted to have them pay the electric-light bill of people in other parts of the country.

Mr. Chairman, these rates ought to be set up honestly and in such a way that these people who get cheap power anyway will be paying for their electric power and not have you and I doing it for them.

In this bill the committee has voluntarily included a very large sum of money for continuation of construction of power plants—hydro plants—in this area. Oh, I would that we meet our responsibilities here, and meet them face to face with due regard for the Treasury of the United States.

I feel that the pending amendment in the interest of all the people of the country should be defeated.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto be limited to 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. WHITTEN. Mr. Chairman, I object.

Mr. PLOESER. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto be limited to 1 hour.

The CHAIRMAN. The question is on the motion offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. WHITTEN) there were—ayes 83, noes 44.

So the motion was agreed to.

Mr. PLOESER. Mr. Chairman, is it understood that prior to the motion there was unanimous agreement that 10 minutes be reserved to the committee?

The CHAIRMAN. That will be observed and it will be so understood.

Mr. WHITTEN. Mr. Chairman, I rise to ask the chairman of the subcommittee a question. I had earlier discussed this matter with my chairman, and I wonder if in his agreement he had any reservation of time for members of the committee on this side.

Mr. PLOESER. In the original agreement reservation was made for 10 minutes on that side which was reserved for the author of the amendment, a member of the committee and that time has been used. Under this arrangement, in order to get 10 minutes on this side, if the gentleman from New York [Mr. COUDERT] and I both want to speak, we will probable have to divide the time between us.

May I ask the Chair how much this will allow to each Member?

The CHAIRMAN. According to the best estimate it will be 2½ minutes for each Member.

Mr. PLOESER. What would the gentleman be satisfied with?

Mr. WHITTEN. It is pretty hard to answer what you would be satisfied with.

Mr. PLOESER. I mean of the hour?

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that we on this side may have the final 5 minutes of the time allotted for use by our Members on the committee.

Mr. PLOESER. I am perfectly agreeable that the committee on that side may have 5 minutes, but we have reserved 10 minutes for summation on this side. I am perfectly willing to the 5 minutes being allotted under the hour limitation.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COOPER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER. Is the 10 minutes to which the gentleman from Missouri has repeatedly referred included in the 1 hour or in addition to the hour?

The CHAIRMAN. That is included within the hour.

Mr. PLOESER. As I understand, there was no objection to the request.

The CHAIRMAN. The gentleman's understanding is correct. There will be 5 minutes for the Members of the minority on the committee and 10 minutes for the Members of the majority. The Chair would like to inquire what Member of the minority side claims the 5 minutes.

Mr. MAHON. Mr. Chairman, I was on my feet claiming time. I ask unanimous consent that the time which would be given to me under the agreement be given to the gentleman from Mississippi [Mr. WHITTEN], and I would like to know if that would give him 7½ minutes.

The CHAIRMAN. It would, if the House so agreed by unanimous consent.

Mr. PLOESER. Mr. Chairman, it has been suggested on this side very magnanimously by the gentleman from Ohio [Mr. CLEVENGER], a member of the committee, that he would yield 2½ minutes of his time to make up half of the 5 minutes requested. Now, you cannot just go on cutting these Members down on time.

Mr. MAHON. I am just yielding my time to the gentleman from Mississippi, if I may, in order that he may have sufficient time.

Mr. PLOESER. When you do that, it all comes within the hour, but you cannot keep cutting the other gentlemen down. However, I am not going to object to the gentleman's request.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, I rise in opposition to this amendment. I believe there is a very fundamental question involved in the proposal before the House today, that is, whether or not we are going to embark on Government subsidies of steam plants all over this country. This amendment for $4,000,000 is but the beginning of one plant, the estimated cost of which is $84,000,000, as I understand. We do not know whether this one plant is the beginning of a series of plants in the Tennessee Valley that will be created by the Congress, supported by the Government, and paid for by the taxpayers of every part of the country.

As was so well stated this morning, every part of the country is in need of more power. We find this situation true in the New England area. In my own State in recent days there has been a great deal of publicity as to the necessity for developing more power plants, and we have found through the same press the statements that the private industries of that part of the country are embarking on a tremendous program involving millions of dollars of their own money in order to meet the requirements in that part of the country. This same thing is true in all other parts of the country. Why should we, the taxpayers of our part of the country or the taxpayers of any other part of the country, be called upon to build, support, and maintain at Government expense, which means the expense of the people in our part of the country, this prodigious program of steam generation plants in the Tennessee Valley?

We understand that in the bill today the committee has allowed $29,000,000 to implement the hydroelectric-plant system already existing in the Tennessee Valley. We also understand there will be available power from the dams which are being built by the Army and the hydroelectric plants in that same area which will provide 200,000 more kilowatt-hours. It is a question of where we are going to go if we start here today. I think we ought to defeat this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS of Tennessee. Mr. Chairman, upon the success or failure of this amendment depends the continued growth of my city, the western part of Tennessee and Kentucky, and a substantial part of the mid-South. Memphis has been purchasing power from TVA since 1939. That city along with 140 other municipalities and REA cooperatives are bound by contract to depend upon TVA for their entire power supply. The Government has assumed sole responsibility in the area for an adequate supply of electrical energy to support a rapidly expanding economy. Having done this, it owes a solemn duty to the people and industries of the valley to so manage the system that our demand for power shall never fail.

In all the years of my membership in the House of Representatives, I have been delighted to cast votes which I thought would affect the welfare and the progress of sections far removed from the area which I have the honor to represent. In all of those votes I felt that the prosperity of any one section of the country added to the sum total of our national prosperity. It is hard for me to believe that any of my colleagues should take a position which would place a ceiling on the prosperity and growth of any section of our common country.

Since we became purchasers of TVA electricity in 1939, the population in my congressional district has increased 20 percent. We have added 32,000 customers to the line. During that time bank deposits increased 294 percent. This is progress. My city is on the very southwestern end of the TVA system. We have no other place to get our power than from TVA. We must be considered, however, as only a part of this wide area which finds itself in need of additional power to care for the normal progress the section is making.

Purcell Smith, the $65,000-a-year lobbyist for the private utilities, made the statement, and I quote from page 965 of the hearings:

> We believe that an undisclosed motive behind this request is to prepare TVA for other drives to expand still further the territory of its power monopoly.

Anyone who considers the location which TVA has chosen for this plant will see that it would be a very poor plant from which to expand widely TVA power. On the other hand, it is an ideal site from which to serve the growing needs within the area. The New Johnsonville plant will be so placed in the center at

the western half of Tennessee so as to serve the adjoining southern counties of Kentucky which receive TVA power, as well as all of west Tennessee.

Many factors determine the most economical location for a power plant, the primary ones involved being the magnitude and location of the markets to be supplied and the availability of fuel and water in the case of a steam plant. It is obvious that in the development of a system of dams to control the flow and to utilize the power possibility of a river system requires that the major development of dam sites occur in the headwater areas. It is there that water may be impounded in the high hills producing the fall and volume that produce the power. Therefore, the bulk of power is produced in east Tennessee and north Alabama, whereas a substantial part of the TVA markets exist in west and middle Tennessee. It happens that the location of a plant on the Tennessee River at the location chosen would avoid the movement of 300,000 kilowatts over the transmission lines from the eastern and southern extremities of the State to the points of use in middle and west Tennessee.

The location at New Johnsonville is one that permits linking the proposed plant into the existing transmission network in such fashion as to permit these loads to flow into middle Tennessee, western Tennessee, and Kentucky, areas supplied by TVA. The location of the plant in the center of the area served reduces the losses in transmission lines that pile up if the plant should be located on the fringe. The plant serves the purpose of not only firming up hydroelectric power in dry seasons and dry years but it serves to distribute the generating plants more evenly over the whole area served. Its usefulness is greatly enhanced in an integrating system where the amount of power produced can be varied in amount and moved in whatever direction best meets the need of the system at any hour of the year. It supplies a source of power along the river in the long stretch between Pickwick and Kentucky Dams, in which there is no dam. In order to produce large quantities of electricity by steam, it is essential that tremendous quantities of water be available for condensing purposes.

Located available to water and rail routes, coal and other supplies can be delivered to the plant by either water or rail, and it should be apparent that the location is within comparable distance of available coal fields in southern Illinois, Kentucky, and Indiana. From every economical viewpoint, the location is as near ideal as engineers ever expect to find.

The seasonal rainfall in the Tennessee Valley area, the available river flow, and the multitude of other considerations such as the run-off within the watershed tend to make a steam plant a necessary part of the hydro development. In the original development at Muscle Shoals, a steam plant was a part of the project. Later, other steam plants were acquired by purchase. But inasmuch as the work on the Tennessee River included not only power plants but flood control and navigation, it was perfectly logical that the construction of dams and hydro plants have had priority in the program and that steam plants would not become essential until firm power produced by the hydro plants was reaching the limits of its development. It is therefore logical that the hydro plants should have been carried forth first and that development of steam plants follow as the need arises to strengthen and support the hydro-power plants. It must be remembered that the steam plant is not only necessary to firm up hydro power and add installed capacity to the system, but it is a procedure whereby the maximum value can be obtained from money already invested in hydro projects.

These steam plants can be used to stabilize the whole system in a fashion to maintain voltage over the system.

This plant would fail in its potential usefulness if it did not in fact add to the productive capacity of the whole Tennessee Valley Authority system. To the communities served by TVA in the areas north, northwest, west, and northeast of Pickwick Dam, this power plant becomes a necessity to meet the normal growth in an area which is developing in every phase of human activity.

Surely, in a sense of fairness, you will vote for the amendment. We have no other place to go for power. It is very vital to all my people and to my neighbors. It is economically sound. In 1939, when Memphis first became a customer, we used 57,000 kilowatts. During the month of March this year we reached a load of 153,000 kilowatts, or almost three times as much as we used less than 8 years ago.

On the basis of proven experience we will require 175,000 kilowatts by the summer of this year. Next year we will require 200,0000 kilowatts, and by 1953 we will need 300,000 kilowatts, or six times as much as when we joined the system.

If this steam plant is built, by the time it is in operation, our municipality serving our citizens and our farmers will need almost one-half of the total power generated by the plant. This is without regard to the proportionate growth which is bound to come to the whole valley. So you may see the extreme importance of this plant to me and my people. There is no source of private power available. Please do not stifle the hopes and the ambitions of our people.

Our growth is your progress. As our income increases, we have more to spend in your communities for automobiles, refrigerators, air-conditioning plants, vacuum cleaners, clothes, shoes, electrical appliances, and all the items you manufacture. A simple, fair, and considered attitude can lend itself to a vote for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I admire the splendid efforts of the beneficiaries of TVA power in the fight they are making to expand these beneficences in their area. I believe if I were down in Memphis or in the TVA area, I would perhaps make the same sort of appeal. The question, however, it seems to me, is just a little bit broader than that. I have read the brief submitted by the TVA to this committee. I have read the brief submitted by the power companies through Mr. Jackson, one of their counsel. I have read the splendid statements made by my good friend the gentleman from Mississippi, JAMIE WHITTEN, and the speech made yesterday by my friend the gentleman from Tennessee [Mr. GORE]. They are all splendid expositions of the problems that face us. But make no mistake about it. You can stand here from now until doomsday and argue the legal questions that are involved. No one will deny that there are very, very serious legal questions. The briefs that have been submitted are replete with the arguments, pro and con. I happen to be one who has taken the time to study those briefs. I have come to the conclusion on the showing that has been made by the Budget that I cannot conscientiously support this amendment because it would be clearly an invasion of the constitutional authority vested in the Congress, if we were to now embark upon a program which will lead us to no one knows where. No one can claim that if you start on this steam-plant program that it will not expand all over the United States. The simple fundamental question that you must determine here and now when you vote on this amendment is, Are you going to vote for nationalization of the power interests of this country? If you believe in the nationalization of power, then you ought to support this amendment. If you do not, you ought to vote it down.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, a few minutes ago the gentleman from New York [Mr. TABER] made the statement that out of the four-hundred-and-twenty-odd-million dollars which have been invested in power in the Tennessee Valley, only $10,000,000 had been paid back into the Federal Treasury. The record shows that the Tennessee Valley Authority has paid back into the Treasury of the United States in excess of $23,000,000 in cash. Also that out of the earnings from the sale of power of the Tennessee Valley Authority, which have been reappropriated for the building of additional facilities—which I do not see that there is any difference whether it is turned back in cash to the TVA, it means the same thing, it is all passed through the Committee on Appropriations—that $92,000,000 in addition to the $23,000,000 has been repaid. The important thing is whether TVA is making money so that it can repay the Federal Government the full amount of this investment.

The record shows that last year on its power properties the TVA earned an income at the rate of 5½ percent on the amount invested. Over the entire period of its operations a little more than 4 percent has been earned on its power properties.

If the Members of the House are truly and sincerely in earnest in cooperating with the TVA to make repayment of every cent that has been invested, they will not jeopardize the TVA in such manner as to refuse to build this steam plant. If the private-power lobby suc-

ceeds in putting a ceiling on the power supply in the Tennessee Valley, it is not only going to adversely affect 5,000,000 people that live in the valley but it is going to adversely affect the entire investment of the Federal Government in that valley.

IF THE PRIVATE POWER LOBBY SUCCEEDS

If the private power lobby succeeds in putting a ceiling on power supply in the Tennessee Valley it will limit the earnings of the distribution systems with loans outstanding from REA to the amount of $30,000,000 and with $52,000,000 of municipal revenue bonds now held by the public. It will threaten the prosperity of the thousands of private enterprises which have made investments dependent on a prosperous region and a continuing supply of power to pay out. It will risk our national security, for TVA's direct power load is vital to defense.

Yet the private power companies do not and cannot claim that they will be injured if the disputed project is constructed. They have no competitive investment in the Tennessee Valley. They cannot pretend to be able to carry the load even if the people of the Tennessee Valley wished to be served by them. As an alternative to the present efficient operations, they propose that each town and city and each industry should provide additional power capacity itself as its load increases, projecting for the valley a system of small isolated plants—a system based on the standards long since abandoned everywhere. To block the New Johnsonville steam plant is to prevent the full and effective use of power from the developed river and the conservation of the fuel resources of the Tennessee Valley.

The campaign of the private power companies to prevent TVA from having an adequate power supply to meet the power needs of its area is based on some of the most remarkable misrepresentations and preposterous suggestions brought forward in all my experience as a Member of this body.

First. The private power companies come forward with the ridiculous statement that they are pleading the case of the 140 municipalities and cooperatives who buy power wholesale from TVA to distribute to their customers. They shed crocodile tears in great abundance for the welfare of the domestic and resident customers of those systems. Nobody who comes from the TVA area could be fooled by that concern for a moment. We have not forgotten that when the private companies served that area there were only 225,000 residential and domestic consumers. Those consumers annually used an average of 600 kilowatt-hours at an average cost of more than 5 cents per kilowatt-hour. We know that today there are 700,000 domestic and residential consumers who use an average of about 2,500 kilowatt-hours a year at a cost of scarcely 1½ cents per kilowatt-hour. Small consumers of electricity in the Tennessee Valley know which agency is protecting their interests. Today more than 50 percent of the farms have electricity. Before TVA 1 in 28 had this essential tool of modern agriculture.

None of us from the Tennessee Valley were fooled by this argument but some other Members of this House, not knowing the difference since we have a public power system to supply our requirements, may have been impressed. Indeed, I think the majority members of the Appropriations Committee were probably impressed with the misleading figures presented in the hearings by the $65,000-per-year lobbyist of the private utilities and his allies. He stated that more than 50 percent of all power sold by TVA went to private industries and contended that the steam plant was not required in order to provide adequate power for TVA's preferred customers, the municipalities, and cooperatives.

Purcell Smith, the private utilities lobbyist, was wrong. He was wrong in his percentages, wrong in his interpretation, wrong in the conclusions he drew.

Let us examine TVA's industrial customers for a moment and see if men from the West, North, and East would look kindly upon the moratorium on their production which would follow if their power supply were cut off. TVA serves governmental agencies; it sells power to its own chemical plant at Muscle Shoals which produces munitions in war, and in peace, fertilizer, which, to most Members of this House, seems critically important right now. The power used in this operation is included in TVA's direct sales report. How about the atomic-energy plant at Oak Ridge? TVA serves that plant and its consumption is included in the total of so-called industrial sales. The Milan ordnance plant, the Huntsville arsenal, Camp Campbell, the Smyrna air base, and other military establishments—these are the customers whom the private power companies suggest should be denied service; a suggestion which should be voted down by this House without delay as a shocking attack on our national security.

Let me go into the privately owned industries for a minute so that we can see what justice there is in the utilities' suggestions that they be cut off. Is any Member of this House willing to place obstacles in the way of aluminum production, or in the steady and, indeed, increased output of the heavy chemical plants which make up the remainder of TVA's large direct sales to private industries?

Let us get the facts straight to match with the misrepresentations which were made in the hearings by spokesmen for private utilities. Let me list them:

First. Utility witnesses misinformed the committee as to the proportion which TVA's direct sales to industry bear to its total sales. The utilities witness knew, although perhaps the committee did not, that TVA's reports of its total direct sales includes sales to the Government itself, to which I have just referred.

Second. Such comparisions of total volume are meaningless because TVA sells to private industry large quantities of interruptible power which cannot be sold to the municipalities and cooperatives and such power can be disposed of in only two ways (a) by sales to a few industries which can use it in their operations; (b) by exporting it from the region to private power companies who can use it on their systems; (c) actually in fiscal year 1949 less than 45 percent of TVA's total sales will go to its direct customers, including the Government and including interruptible power sales. This is a far different picture from the one presented out of ignorance, greed, and malice by the private power companies.

Third. The point of all this emphasis on TVA's industrial sales has been to convince the Congress that if power so used were made available to municipalities and cooperatives there would be no need for the steam plant. The utilities are wrong. They have no expert knowledge of growth of electricity use on the TVA system. They have never been right in the past and they are not right now. TVA could not legally deny power to the private industries it has contracted to serve. Even if it could, it would be against the public interest and shockingly unfair to the companies which have made large investments, particularly during the war at the request of the Government and with the assurance that their power requirements would be met. But even if it were legal and if it were good public policy, such a fantastic proposal would not postpone the need for the steam plant. For the western half of Tennessee, which the steam plant will help to serve, the power demands of the municipalities and cooperatives already exceed the available generating capacity, and power must be brought into the area by transmission from the eastern end of the TVA system.

There is no evading this issue. The customers of the municipalities and cooperatives for whom the private power companies are showing such belated concern need this increase in capacity. There is no feasible alternative. All the proposals made by the private power companies are ludicrous, unjust, and technically primitive. If this great area of the country is to continue to grow—to contribute more to the national welfare, additional power capacity must be provided and the construction of this steam plant is the best way to do it.

The CHAIRMAN. The gentleman from Mississippi [Mr. ABERNETHY] is recognized.

Mr. ABERNETHY. Mr. Chairman, demand for power has increased as never before. No one ever anticipated that so soon after close of the war we would find ourselves on the verge of a critical power shortage. The facts are, however, that it is now with us. We have a reserve of less than 0.2 of 1 percent above that used today. With the rapid advancement of rural electrification and with industrial development moving upward and upward in less time than we might expect, the wave of progress which our Nation now enjoys might soon falter for lack of electric power. And this is particularly true in that great region served by the Tennessee Valley Authority.

Private utilities are moving to meet the emergency in the territories which they serve. They are expanding their facilities through the construction of steam plants and various other methods. It would be a cruel act of this Congress, which created the TVA, to say to the Authority that we will not permit it to meet

an identical emergency in the territory which it serves.

The TVA serves an area of 80,000 square miles, lying partly in seven States. Aproximately 140 municipalities and cooperatives are wholly dependent upon TVA for electric power. There is no other source of supply, positively none, for the 5,000,000 people living within the Tennessee Valley.

Whether you approve of TVA or not, it remains that it is an established agency of the Government, created by the Congress of the United States. Some of you who oppose it cry that TVA is a monopoly. Sure it is a monopoly, but every other power company in the United States has a monopoly in the region which it serves. It would be most impracticable and uneconomical for two power companies to operate in the same territory and therefore they do not follow the practice. Agreeing that the TVA has a monopoly in the Tennessee Valley, the fact remains that it was so created by the Congress. Prior to its establishment the power companies made little or no effort to bring power to the millions living within the valley. In my own district I could count on my fingers the number of miles of rural power lines erected by the private power companies who now wail about the steam plant. With the advent of TVA our people have made great progress socially, economically, and industrially, where before many were living in drudgery, reading by the light of oil lamps, and waiting, waiting, waiting for the private power companies to do a job which they had failed and refused to do. It was then and then only that the Government stepped in and created the TVA and made possible the rapid development which has taken place in the valley over the past 15 years.

Now, Mr. Chairman, that same power lobby which year after year successfully defeated every move and effort to establish the TVA, is again making itself felt in the Halls of Congress. They know that without the steam plant, as proposed by my friend the gentleman from Tennessee [Mr. GORE], that the TVA may be unable to supply a steady flow of electric power. They hope that it will eventually lead to the death of TVA. Nothing would please them more.

This Congress has appropriated large sums of money for the development of power in the great regions of the far West. On each and every item for the benefit of you who reside in the West, the Members from the Tennessee Valley have upheld your cause, worked for and voted with you. We confidently believe you will help us. And we are grateful to you for that support.

I trust, Mr. Chairman, that this amendment will be adopted.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent that such time as I have yielded back may be yielded to the gentleman from Tennessee [Mr. JENNINGS.]

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The gentleman from Tennessee [Mr. JENNINGS] is recognized for 4½ minutes.

Mr. JENNINGS. Mr. Chairman, much has been said about a great special and unfair favor having been conferred upon Tennessee and my section of the State. Tennessee has been a State since 1796. The first considerable amount of money that was ever expended on a public project in my district and in my State, with respect to flood control and navigation, was expended under the TVA Act. For 100 years it had been the dream and aspiration of my people to see the Tennessee River made navigable from Knoxville to the Gulf of Mexico and to the whole world. It was a difficult proposition, because of the rapid flow of the river through Muscle Shoals. Billions and billions of dollars have been spent in other parts of the country on such projects. No private power company could have undertaken this project. The Tennessee River today, as a result of that project, is navigable from my city, Knoxville, to the Gulf of Mexico and to the great ports of the world.

As an incident to the development of the river, it was provided that these high dams should be built high enough to store the water and prevent floods, and so controlled as to release the water when necessary for navigation purposes, and as an incident to that, to translate the energy of the falling waters into electric current. Everybody knows that to make a hydroelectric system profitable, you must have stand-by steam plants.

This leader of the forces called by Theodore Roosevelt, when he was Governor of New York, Black Horse Cavalry, this smooth operator Smith, this $65,000,000 lobbyist, led his crowd of cohorts up here and conducted an attack on my people, and this is what he and his confederates boldly, frankly, and brutally say:

Although substantial additional power can be generated by installation of new hydrogenerators, it is approaching the limit of the amount of electricity which can be generated by water power harnessed primarily for purposes of flood control and navigation.

The proposal to construct this steam plant is based upon the recognition of these two factors and is intended to provide additional generating capacity to meet the demand for electric power in the 80,000-square-mile area served by TVA.

In other words, they propose by stopping the development of the great enterprise on which 5,000,000 people depend for power, to say to my people, "You cannot expand any further industrially nor in agriculture. You can go back to kerosene lamps."

Why did the atomic-energy plant come to my district and to Tennessee? Because it was the only section of the country that had enough power to produce the atomic bomb, and for the further reason that we had a supply of labor within a radius of 100 miles that was of undoubted patriotism. They were 100-percent American. There were no strikes, no slow-downs, no sit-downs in the making of the bomb. This is a fight on the 5,000,000 people who live in Tennessee, in North Carolina, Georgia, Alabama, Mississippi, Arkansas, and Kentucky. They fight 200,000 laboring men and women in my district. They fight 100,000 farmers. They fight 50,000 veterans of World War II. We sent more than 50,000 into this war. We have 460,000 people in the district. Twelve hundred of those men died in battle. Thousands have come back maimed, blinded, and wounded, and wrecked physically.

Not long ago I went to Huntsville in my district to attend a hearing by Army engineers on a flood-control project I had sponsored and made possible. It was hoped the project might mean power, and on a winter's day with snow on the ground, 500 people came, of whom more than half were war veterans looking for power in order that they might have industry that would enable them to remain in their home county and engage in profitable enterprise on the farms and in factories.

Let me say this in addition, the people of east Tennessee helped make the Republican Party with their guns. East Tennessee sent 30,000 soldiers into the Union Army, and I have a district that has remained Republican since 1855. Shall I go back to my people and have them say to me: "Were our aspirations, were our desire to grow, and develop, and to prosper, were they slain in the house of our friends?" I have had to fight to hold that district in the Republican column. I hope you do not create the impression by defeating this appropriation for the steam-generating plant that the future progress and prosperity of the people of Tennessee are in unfriendly hands.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

The gentleman from Washington [Mr. JACKSON] is recognized for 2½ minutes.

Mr. JACKSON of Washington. Mr. Chairman, I certainly have no selfish interest in the outcome of this particular appropriation. My State is not directly affected. I do have a great respect, however, for a job well done in the Tennessee Valley. The truth is that the Tennessee Valley Authority, like our great power projects at Grand Coulee and Bonneville in the Pacific Northwest, provided the basis for a great part of our industrial potential in World War II. It is invaluable to our national defense now.

Too many times when we bring up the Tennessee Valley Authority appropriation we get into the issue of whether we should or should not have a TVA. The truth is that it is an accomplished fact. The only question to be decided today is whether or not this is a prudent investment.

If this were a private utility asking for these funds and we were the board of directors, I am sure we would give our wholehearted approval because it would be simply good, sound, business. TVA is merely asking for the same thing that a private utility would ask for under the same circumstances.

I am sure that all of us want to see the Government get the maximum return out of its investment in the Tennessee Valley. By voting for this amendment we will be providing for more firm power which will mean a greater return to the Treasury. We will merely be doing the very thing that we would ask TVA to do

if they had not come in and asked for these funds.

In that connection I venture to say that the Tennessee Valley Authority would have been criticized if they had not come in and asked for these funds.

In closing, may I pay my personal tribute to the untiring efforts of the gentleman from Tennessee [Mr. KEFAUVER] in behalf of the Tennessee Valley Authority. It was my pleasure a couple of years ago to make a trip through the Tennessee Valley area with him. Few men in the Congress have a better grasp or understanding of this great project than my good friend and colleague the gentleman from Tennessee, Representative KEFAUVER. He has been its ardent champion. The people of the great State of Tennessee are fortunate, indeed, in having such excellent representation in the Congress.

I hope the Committee will approve this amendment.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The gentleman from Pennsylvania [Mr. FENTON] is recognized for 2½ minutes.

Mr. FENTON. Mr. Chairman, back in 1939 or 1940 the statement was made concerning these Government-owned projects that sooner or later it would develop into an octopus and the country would realize that they had something to contend with.

That statement is now proving to be a fact and today finds this Congress faced with it.

I am absolutely opposed to the amendment to establish a steam plant in the TVA.

In certain parts of our country we see these Government-owned projects developed to such an extent that it is driving private industry out of business. We hear much about brown-outs and no power in some sections of the country, yet our Government-owned facilities are selling power from that area to Canada. The claim is made notwithstanding that there is a shortage of power.

We know that private power companies in some sections of the country cannot at the present time borrow sufficient money to expand their facilities to remain in existence even though they are willing. Yet the people of the great United States, the taxpayers, have to pay for people in some parts of the country having cheap power. Of course, that is what they want—cheap power.

The private power company in my particular district is spending this year $113,000,000 to expand their property. They have not come to this Congress and asked for money with which to build power plants. They stand on their own feet and use their own money.

Mr. Chairman, the time has come to recognize all this. Why, in some parts of the country there are condemnation proceedings depriving private industry of their property and for the purpose of using the same property in the Government-owned electric system. What is going to happen to the farmers and other businesses of this country when the Government says to them: "We want your farm; we want your business. Get off it, we will take it." How will they like that? This kind of action is rapidly socializing this great country and now is the time to stop it.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. FLANNAGAN.]

Mr. FLANNAGAN. Mr. Chairman, when you leave common sense out of legislation you wreck it. This amendment only restores to the bill a common sense provision the committee left out.

Consider these facts:

First. We all realize that the home and factory alike need a dependable supply of electricity. Without dependability electric power is practically useless.

Second. It is a recognized fact that water power alone, except in a very few instances, does not furnish a dependable supply of electricity. The reason is apparent; at certain seasons the water in most streams, due to dry weather, becomes low.

Third. To meet this handicap that nature has placed upon water power, practically all water-power companies have stand-by steam plants that are brought into play to supplement the water power during dry seasons.

Fourth. In the Tennessee Valley the water power has two handicaps that the ordinary water-power plant does not have, namely: (a) The TVA has to keep enough water impounded for navigation, and (b) at the same time it cannot permit its reservoir to become full because this would jeopardize the flood-control aspects of the Authority.

Fifth. The fifth element that enters into the TVA power picture is this: The only source of power in the great TVA area, which embraces parts of seven States and contains a population of around 5,000,000 people, and in which area is located some of the large plants essential to national defense, is TVA power. There are no private power plants within the area, and it is admitted that private power plants cannot be induced to enter the area.

The above facts bring us face to face with these propositions:

First. If the supplemental steam plant is denied the area, then development in the area becomes static. We say to the people of the area the present is also your future.

Second. We jeopardize our national defense by making it impossible for the national defense plants to increase their capacity. It is no answer to say if the emergency becomes acute we will authorize a steam plant. Emergencies do not wait on the erection of power plants.

Considering the facts, the common-sense answer to the problem should be clear.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. EVINS.]

Mr. EVINS. Mr. Chairman, we have already heard today much about the legality of the TVA, its statutory and constitutional authority, the creation of the TVA, its growth and development, the extent and type of TVA's power customers, as well as the need for the New Johnsonville steam plant to firm up the hydro power generated by TVA to augment the services of TVA to the people of the Tennessee Valley area.

I should like to address my remarks to the partnership which today exists between TVA and the people whom it serves and to urge that this partnership be continued.

The President has recommended in his 1949 budget an item of $4,000,000 which would permit TVA to commence construction of this steam plant to be located at New Johnsonville, Tenn., on the Tennessee River in the western part of my State. This plant is badly needed to help relieve the power shortage and to meet the rising demand for electricity resulting from the general economic growth of Tennessee and the South. The sum requested is very modest and small. The benefits to be derived therefrom are great—great for our people and also for the prosperity of the people of the entire Nation. When one section of our country makes progress all the Nation prospers. Should the TVA be aided rather than its services to the people curtailed, a vast section of our country will continue to prosper and to make progress.

Progress in the South has been made possible through the joint partnership relation which exists between the TVA and the people whom it serves. And when I say "partnership" that is precisely and exactly what I mean. The Federal Government and the people of the Tennessee Valley area have entered into a contract and partnership agreement in the power generating and distributing business in this section of the South. The arrangement is mutually beneficial—and each is dependent one upon the other. The Federal Government is the sole power producer in the area and the people—the municipalities and cooperatives—the sole distributors. This partnership arrangement was entered into when the Federal Government bought out the private utilities in the area—the Commonwealth & Southern utility holdings, the sale of which was negotiated by the late Wendell Willkie. So, now the Federal Government, through the TVA, is the sole supplier of electric power in this vast area of the Southland. The people there are wholly dependent on the Federal Government for their power-supply needs and requirements. Since the Government has formed this joint partnership with the people certainly it should not go back on its part of the bargain. The Congress should not break faith with the people with whom it has agreed to serve.

The Federal Government has an investment of more than $350,000,000 in generating and transmission facilities in the TVA area. This is owned by all of the people of America. The people of the Tennessee Valley—7,000,000 of them—750,000 of whom are users and consumers of electric power within this area—reside in 7 States—Virginia, Kentucky, Tennessee, North Carolina, Georgia, Mississippi, and Alabama, an area of more than 80,000 square miles. The people within this region own the distributing facilities with an investment of

$160,000,000. There are 140 municipalities and rural electric cooperatives distributing TVA power in the region.

I should like to stress in a very special way, Mr. Chairman, the fact that the Tennessee Valley power system is not a wholly owned Government corporation as some would have you believe. The Tennessee Valley power system, in its entirety, consists of a joint partnership as I have indicated, the Federal Government owning the dams on the rivers and the generating facilities—the municipalities and rural electric cooperatives owning the distribution facilities. The Government's assets, as indicated, amount to 550 millions of dollars and the investment of the municipalities and cooperatives amounts to 160 millions of dollars. The real value of both the Government and people's investment is dependent upon the continued and proper operation of TVA. Both partners thus have a big investment in this joint business enterprise. The Federal Government is dependent upon its partner—the distributors—to carry TVA power to the ultimate consumer and certainly the people are dependent upon the Federal Government to supply the electric power which it uses, consumes and needs.

There is a definite concern upon the part of the people of the area that the senior partner—the Federal Government acting through the Congress—may not make sufficient appropriations to insure the consumers an adequate source of power supply. The people of the Tennessee Valley have carried out their part of the bargain with the Federal Government in the TVA development, and certainly the people are most hopeful that the Federal Government will continue to carry out theirs. Frankly, there is no reason—certainly no good reason—why this should not be done. In the TVA the Federal Government—all of the people of America—have a sound investment. Figures prove this to be true. Therefore, from an economic and strictly business point of view this mutually satisfactory arrangement should be continued. From the standpoint of service to the people and the prosperity of the Nation, the Congress should not take any action which would, in effect, say, "This much progress you shall make and no more," "Thus far you can go and no farther;" the Federal Government should not put a ceiling on power production nor freeze the amount of power which may be produced when electric power is so greatly needed both for our domestic progress and national defense purposes.

Mr. Chairman, it is a matter of common knowledge that a power shortage exists in America today. Although some people want to debate this fact, everyone—even the most ardent advocates of private power—agree that there is no great surplus or excess amount of power and they also agree that there is an increased consumer demand and a growing need for additional power for industry and national defense purposes. All over the Nation power demand is pressing hard upon supply. This growing demand for power is a testimonial of progress. It is evidence of a growing regional and national strength. It should be hailed as a triumph of democratic achievement.

Mr. Chairman, among the purposes declared by the Congress in passing the TVA Act was to develop the resources of the Tennessee Valley for the benefit of all the people; to promote the prosperity and raise the level of income of the people of the valley; and also to strengthen the entire Nation by making the Valley more productive. The Tennessee Valley, although richly endowed with natural resources, has been one of the low-income areas of the Nation. Progress has been made—progress in the development of our rivers for purposes of navigation and flood control—improvement in the fertility of our soil and the prevention of soil erosion through approved methods of conservation. A major portion of this progress is rooted in the blessings TVA has bestowed upon the people of the Tennessee Valley—the area which it directly serves. Progress has also been made through the extension of rural electrification. Community and farm electrification has been developed and expanded. Our farmers and other individual consumers are making greater use of low-cost electricity. In 1933 when TVA Act was passed, as has been indicated, only 1 farm in 28 had electric service. Today 50 farms out of every 100 are served by electricity through our efficient rural-electric cooperatives cooperating with the Tennessee Valley Authority. Within the Fifth Congressional District of Tennessee, the district which I have the honor to represent, the farms in 1930 were only 5 percent electrified. Today a little more than 51 percent of the farms of the Fifth District are served by electricity. These figures show the trend of the current program, which aims toward further expanded rural electrification within the Fifth District and rural America. In this postwar period alone, approximately 1,000 miles of new power transmission lines have been built within the Fifth District of Tennessee. It is my hope that rural electrification can be extended to the farm areas of all sections of our common country, as each strong region makes for a stronger Nation. Let us not take any action here today which would reverse this trend of progress. This progress should continue for the general health and well-being of all the Nation. The power needs of the Federal Government within the TVA area—including the TVA Chemical Engineering Experiment Station at Muscle Shoals, the Atomic Energy plant at Oak Ridge, and the various military establishments—constitute an additional reason why this steam plant should be authorized and justifies the appropriation here requested.

Furthermore, Mr. Chairman, if the United States Government is to keep faith with the people and carry out its responsibilities as the sole supplier of power for a region of 80,000 square miles—with 750,000 existing consumers and more than 100,000 additional farms to be served in the next few years, the additional steam plant here requested is required—certainly it should be provided by Congress.

Mr. Chairman, let me ask the membership of this House these questions:

Are we going to break our contract and end our partnership with the people of the Tennessee Valley area?

Are we going to close the door to any further progress in the South?

Are we going to cripple the national defense of our country?

Are we, in short, going to sell out to the private power trusts and utilities and stop our prosperity?

Are we going to go back to the days of the private power monopolies?—To the days of Insull, who had his yacht anchored off the shores of New York ready to set sail for parts of the world unknown?

Are we, by our action here today, going to turn the clock back as far as the future of America is concerned?

No, Mr. Chairman, I do not think so. I certainly hope that the membership of this House will not permit this to happen. It is my hope that the Members of this Congress will vote the modest sum requested by the pending amendment to the appropriation bill for the Tennessee Valley Authority. I urge adoption of the amendment, not only in behalf of the people of Tennessee, but of all the people of America.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MUHLENBERG].

Mr. MUHLENBERG. Mr. Chairman, it seems to me that we are losing part of the real sense of this amendment when we say that we may be for it or against it based primarily on whether or not the job may make a profit or whether it is a good investment. I do not believe that that small consideration is what should decide our vote, because it comes down to the larger question of whether or not you believe the United States should take money away from its citizens by taxes and then to invest it in any enterprise which it believes may be profitable; and this is what we are really deciding. If we are going to do that, then we are doing something that is questionable as far as our system of government is concerned, the new principle that because the Government can make money, therefore it ought to be in business. I do not believe that that is the kind of legislation we ought to support. Let me say further, that the idea that this is based on merely supplementing the power of falling water by another means, and that therefore it is merely incidental, seems to me to be going far beyond the purpose of the original legislation which never did, in my opinion, include the idea that there should be something supplementary to the falling water, but merely that in multipurpose dams some way should be found to make useful the power of the falling water.

I do believe that when we go beyond that we are going beyond the original purpose of the act, and that is not in the general interest of the taxpayers. I trust the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I take this time to ask the author of the amendment a question. When I heard

the amendment read I thought I should like to know specifically what this added $4,000,000 is to do.

Mr. GORE. I stated immediately after offering the amendment that it was for the purpose of restoring to the bill an amount which was included in the budget draft of the bill, of $4,000,000, to be used to commence the construction of a steam generating facility by the TVA at New Johnsonville, Tenn. May I point out further that instead of the cost being $84,000,000, as has been repeatedly cited here, the ultimate cost is to be $54,000,000, and whatever appropriation is made by the Congress for this item will be included in the amortization plan enacted by this Congress last year, by which the total amount will be repaid to the Government in 40 years, at which time the Government will still own the facility and its earning capacity.

Mr. MURDOCK. I am glad to get that statement. Let me say I am heartily in favor of the amendment. I wanted the legislative history to show clearly just what the money was being added for, in case we adopt the amendment. I hope the amendment is adopted.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Missouri.

Mr. PLOESER. Mr. Clapp's answer to a question by the gentleman from New York [Mr. COUDERT] was this: "Our present estimate is that this is an $84,000,000 project."

Mr. GORE. If the gentleman will yield, I do not find disagreement with Mr. Clapp's statement, but the program of which he spoke contains not only the steam-generating plant here proposed but the installation of hydroelectric generators in dams already in existence. It is a part of a program. The steam plant itself will cost only $54,000,000.

Mr. MURDOCK. Mr. Chairman, I come from a part of the country where we have to use every drop of water in every way that is effective. One of those ways is to create hydroelectric power. With the variation that is found in the flow of every river, we cannot get maximum power production unless we do have stand-by plants.

It has always seemed ridiculous to me that those who speak so highly of good business practice will try to prevent the Government from doing the very thing that good business management always does. It has been pointed out many times during the debate that every private utility producing electric power with falling water necessarily has its stand-by plants. It is good business to do so. It is a part of American efficiency, and good business judgment to firm up the hydroelectric power and thus be enabled to contract for the sale of the same on a firm basis at a much higher rate.

Everyone knows that the cheaper the power can be produced and sold the greater the volume of sale of the power. Talk about a planned economy of scarcity—the monopolistic influence of private power utilities who try to keep production down and price up are rarely able to do so to advantage to themselves and always with inevitable harm to the communities they are serving. Electricity is one of the necessities of modern life. To limit its production and its availability to our people is about as wrong as to deprive them of air and water. I have no quarrel with the private utilities, excepting where they attempt to thwart the production of public power and thus throw a blight over a community and tend to bring it into economic bondage. With this in mind, I am giving the amendment of the gentleman from Tennessee my full support.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, this matter is an issue which is far greater than the $4,000,000 involved and far greater than the starting and ultimate building of the steam generating plant proposed at New Johnsonville, Tenn. This is a matter which concerns many other projects in the future. If this amendment is defeated, it is going to have a serious effect on the development of many sections of our country and in the conservation and use by the people of the natural resources in many sections of our country.

We have to bear in mind in connection with this project that private capital refuses to or will not enter into this activity and build it with its own money. The purpose of certain private utilities is to try to confine the TVA power operations to being only a byproduct of navigation and flood-control developments, and nothing else.

We have been through this fight for 15 years in this House. There is nothing new in this fight. All through the years those of us who view these questions from a forward-looking or progressive angle have been charged with either state socialism or communism, or some other harsh characterization. Today, in 1948, this is nothing but the Government extending its secondary functions and powers to meet a situation in the interest of the public where private capital has either failed or is unable to enter into the situation and give to the people of the Tennessee Valley area the benefits that this particular steam-generating plant will bring to them. Our development of power projects and the sale of power has strengthened the private utilities and strengthened private competitive business. There has been nothing constructive about it. It is consistent in this economic age with the very necessities, purposes, and objectives of our Government.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, it is unfortunate and regrettable that sectionalism would become a factor in the consideration of this amendment.

Indicative of the propaganda that has been spread about is that the construction of the steam plant would jeopardize industrial expansion outside of the area served by TVA. This has been manifested by letters reported in committee hearings from various chambers of commerce and others, expressing hostility toward TVA. No doubt, the authors of such speculations have been the private utilities whom they follow blindly.

What the power companies are really proposing is a ceiling on progress in the Tennessee Valley. They would perpetuate a poorer-than-average standard for the region, in reckless disregard of the fact that a region which is less productive than it should be is a brake on the prosperity of the entire Nation.

In short, even though the economy of this area is still predominantly agricultural, they say there has now been enough growth of industry in the Tennessee Valley. It must be stopped. At first, ignoring the fact that nearly all industries in the area buy their power through the municipal and cooperative distribution systems, they pretended solicitude for those systems by concentrating attention on the few large industries served directly by TVA. Then, when it became generally understood that the new steam plant was required to meet the growing needs of the consumers served by the municipalities and cooperatives, the attacks were broadened to include assaults on all industries in the area. A campaign of opposition was stimulated throughout the country. Letters and telegrams are pouring into Washington. The theme is identical, frequently the words are the same. They all protest the industrial development in the Tennessee Valley. Some of them assert that industries are moving there from other regions of the country, attracted by low-cost power. A few of them accuse TVA itself of soliciting such removal.

Such charges are false. Although such activities are considered a legitimate activity of every private power company, TVA does not solicit industries directly or indirectly. No single example has ever been cited to support the claim. Nor are industries moving to the TVA area to the detriment of other regions. It is true that industries have been developing there as they have been developing elsewhere, and the growth in the TVA area since 1933 has been rapid. The region is beginning to catch up with the rest of the country. Private enterprise is thriving in the Tennessee Valley, the people are more prosperous. Their progress is a gain to the Nation. The TVA was established to accomplish just this objective.

Production everywhere must be increased today; national security and economic health require it. Everywhere increased production depends upon an increase in this Nation's power supply. Almost every region is threatened with a power shortage. Private power companies are expanding their facilities, belatedly attempting to overtake the demand they earlier denied, and, by their denials, curtailed and discouraged.

Almost alone among the major power companies the management of TVA has kept abreast of the expanding requirement of a growing region. Now the private power companies, hard pressed to meet the rising demands of their own consumers, are intervening to limit the power supply to be available to the consumers of this great public power system in the future. In opposing the New Johnsonville steam plant they are asking the Congress to duplicate in the area served by TVA the restrictive practices

they have fostered in the past in the regions where they are responsible for service.

In 1933 the per capita income of the people in the TVA area was 43 percent of the national average income. At the present time it has increased to 58 percent of the national average. At the same time, we have grown in income to the point that we pay approximately 6 percent of the national taxes, as compared with 3.4 percent before TVA.

It is inconceivable that any argument could be sustained in the support of any measure that has as its aim the suppression of the progress of the people of a large section of the United States.

Let us refrain from indulging in emotional and provincial thinking, and let us resolve that America—to be strong—must not have weak links. Let us recognize that the progress of one section of our country contributes to the progress and the well-being of the whole.

If this amendment fails, we have said in effect to the American people that we can vote $6,000,000,000 for the Marshall plan for help in Europe, yet we are presently invoking the Morgenthau plan against a section of our own United States.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, it is to be regretted that more adequate time is not available for discussion of this very important question. Most of the remarks made here in opposition to the pending amendment should have been made in 1933 or 1938 or 1940 when legislation with respect to the Tennessee Valley Authority was under consideration. Most of those remarks have no application to the question under consideration here today.

I rise in support of the amendment offered by my distinguished colleague, the gentleman from Tennessee [Mr. GORE] who is a member of the committee in charge of this bill. The sole question here presented for consideration is whether or not the Tennessee Valley Authority, which has already been in existence for a decade and a half, and doing a remarkable job, shall do the businesslike thing in carrying forward this great program; whether they shall be allowed the opportunity of doing the same thing that all of the power companies of this country do, that is, to provide for a standby steam plant, to make it possible to provide firm power for the customers to be served under this program. It is the same type of policy that is followed by every power company in the country. It is in the interest of the Federal Government. It is in the interest of the people of this country, because the people own the Tennessee Valley Authority. So the sole question presented is whether or not the Congress will permit this agency of the Government to do the businesslike thing in carrying forward this great program which has been authorized by the Congress. You placed upon those in charge of the TVA program the responsibility and duty of conducting the affairs in a businesslike manner, and the adoption of this amendment will assist them in doing so.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. COOPER] has expired.

The gentleman from Tennessee [Mr. PRIEST] is recognized for 2½ minutes.

Mr. PRIEST. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD, and I yield back the remainder of my time and ask unanimous consent that such time as I have yielded back may be granted to the gentleman from Texas, the distinguished minority leader, Mr. RAYBURN.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee [Mr. PRIEST]?

There was no objection.

Mr. PRIEST. Mr. Chairman, I want to direct the attention of the Committee to one vitally important consideration in our discussion of this amendment. It was pointed out in the minority report that TVA is the sole supplier of electric power in an area comprising 80,000 square miles in a portion of seven States in which reside more than 5,000,000 American citizens.

Failure by the Congress to recognize that fact, and to assume its obligation to meet future as well as existing demands for power in the area would be inconsistent with the principles and responsibilities of representative government.

When in its wisdom the Congress enacted the Tennessee Valley Authority Act in 1933 it established as its objective the full-scale development of the Tennessee River for navigation, flood control, and power.

One of the essential parts of the original program was the wide distribution of electric power at low cost.

Exercising clear constitutional authority the Congress in 1939 enacted amendatory legislation that authorized the Tennessee Valley Authority to acquire the existing properties of Tennessee Electric Power Co. and other companies within the area and thus to become the sole supplier of electric power for the area.

Mr. Chairman, it seems crystal clear to me that when the Congress in 1939, approved the acquisition of these properties as the soundest approach to the elimination of a duplication of facilities, and the removal of an unhealthy economic situation, it was the congressional intent that TVA should become the sole supplier of electricity for the area.

The Senate committee report on the bill authorizing this acquisition—S. 1796, Seventy-sixth Congress—said in part, and I quote:

> The agreement reached by the Commonwealth & Southern Corp. and the Tennessee Valley Authority to carry out this sale of the Tennessee Electric Power Co. properties would end all such controversies and do away with any possible competition between the parties.
>
> * * * * *
>
> Notwithstanding the liberal price to be paid for the properties included in the contemplated sale, both the friends and critics of the Tennessee Valley Authority as well as the Commonwealth & Southern Corp., the real owner of the property to be sold, are satisfied with the price agreed upon for the sale of such properties. The elimination of potentially wasteful competition in this area would be a factor of major importance. An audit of the properties to be purchased, made by the engineers of the Tennessee Valley Authority, indicated that the value of the properties involved in the contemplated sale were not worth more than $70,000,000. The difference between this sum and the total consideration of $78,600,000 agreed upon can be regarded as the cost of eliminating this destructive competition, a competition damaging and injurious both to the Tennessee Valley Authority and to the private owner of the properties to be purchased (S. Rept. 189, 76th Cong., 1st sess. (1939), pp. 3–7).

Now, Mr. Chairman, it is wholly inconceivable to me that the Congress could have reached a decision to eliminate this competition and thereby establish TVA as the sole supplier of power for the area without at the same time recognizing the responsibility of TVA, with congressional backing, to provide in the future whatever facilities that circumstances might make necessary to serve the area over which the Authority had been given jurisdiction.

Can any Member of this House conceive of the Congress taking action that would have the effect of freezing the power supply for a great area of the country as of a certain date?

Moreover, Mr. Chairman, in the hearings before the House Committee on Military Affairs, which had House jurisdiction of the legislation affecting TVA prior to the Reorganization Act, it was clearly recognized that there was a possibility that additional generating facilities, including steam-generating plants, might become necessary.

During the hearings before that committee the distinguished gentleman from Massachusetts [Mr. CLASON] questioned Mr. J. A. Krug, who at that time was power manager for the TVA, in part, as follows:

> Mr. CLASON. And the system of steam-generating plants you are getting from the Commonwealth & Southern, plus this water development that you contemplate, will be sufficient to supply all of that area?
>
> Mr. KRUG. Yes.
>
> Mr. CLASON. And you would not expect to have to build any more steam-generating plants in the near future?
>
> Mr. KRUG. Not in the near future. I think I should make it clear that in the power business it is virtually impossible to plan for longer than a 10-year period. Our plans run over approximately 10 years. After that time the load in this area will grow and additional capacity will have to be installed at some place in that area to take care of the growth in that load, if the present upward trend in the use of electricity continues.
>
> * * * * *
>
> Mr. CLASON. But you have no plans now to develop anything further that will require any more steam-generating plants in this area for the next 10 years?
>
> Mr. KRUG. No, sir. (Hearing before subcommittee of House Committee on Military Affairs, S. 1796, 76th Cong., 1st sess. (1939), pp. 111–112.)

I call your attention, Mr. Chairman, to the emphasis apparently placed on a 10-year period by the gentleman from Massachusetts [Mr. CLASON] and Mr. Krug. Bear in mind that these hearings were held in 1939, and next year will be 1949.

Mr. Chairman, without going into all of the details, let me point out that the entire legislative history of the TVA Act proves without a single doubt that Con-

gress, from the time it passed the original act until this hour, has assumed that construction of auxiliary or supplementary steam generating plants might be necessary. That assumption has been implemented by congressional authority in the past, and after the 1939 amendment which made TVA the sole supplier, there should no longer be even a remote doubt of the congressional intent.

Bear in mind also, Mr. Chairman, that as of today the TVA is obligated by contract to supply power to a total of 140 municipal and REA cooperative distributors. These towns and rural distributors have signed contracts in good faith with the Agency which the Congress has established as their supplier of power. They have a right to look to the Congress to see that they are not frozen.

It is no more than simple justice to these cities and farm cooperatives to provide for whatever additional generating facilities may be necessary to furnish the power for an expanding economy. I hope very much the amendment of my distinguished colleague the gentleman from Tennessee [Mr. GORE] will be adopted.

The CHAIRMAN. The gentleman from Texas [Mr. RAYBURN] is recognized.

Mr. RAYBURN. Mr. Chairman, for a long time I have been mixed up in this fight between the public and private power, and power companies in particular. It happens that in 1935 I put through this House, and it was passed by the Senate, the Utility Holding Company Act. Propaganda went throughout the length and breadth of the country that we were putting out of business the private utility companies, but every right-thinking operating utility in the United States today that has local management and local ownership is glad that they were freed from Wall Street.

I am deeply regretful, coming from the section of the country that I do by birth, the district of the gentleman from Tennessee [Mr. JENNINGS], to hear these narrow appeals to sectionalism. It has always been my thought that a thing that made one section of our country prosperous should be felt in every other section of the country. We cannot improve any particular section of the country without that being reflected in wages and prices and employment in other sections of the country.

We have in this country two schools of thought. One of them does not think there ought to be any private utilities. I do not belong to that school. There is another school that does not think there ought to be any public power. I do not belong to that school. It has been demonstrated in the section of the country where I live, by a contract made with the Southwest Texas Power Administration, a private utility company, that they can get along. They have a contract that is mutually beneficial to both of them, and they are getting along very well. The power companies in that area, even with that competition, with this existing contract are making more money than they ever made before in their history.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

The gentleman from Texas does not respond.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent that I be given the time allotted to the gentleman from Texas.

Mr. RAYBURN. The gentleman cannot do that. The fact that the gentleman may not be here at the moment does not mean that he will not be here in another minute.

Mr. GAVIN. I will let the Chair rule on that. The gentleman is not ruling on that decision.

Mr. RAYBURN. Yes, I am, too; because I am going to object to it.

Mr. GAVIN. It is not necessary to put words in the mouth of the Chairman. Let the Chairman speak for himself.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RAYBURN. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Mississippi [Mr. WINSTEAD] is recognized for 2½ minutes.

Mr. WINSTEAD. Mr. Chairman, I rise in support of the amendment to restore to the bill $4,000,000 required to build the proposed steam plant at New Johnsonville, Tenn., by the TVA. It has been pointed out that in 1939 the seriousness of our national defense situation entered into the authorization for TVA to build a steam plant, and that being true there was no question but that the Government had a right to make provisions for such a steam plant. If we could think of no other reason, and the minority members of the committee have pointed out many, the seriousness of world conditions today provides ample justification for building this steam plant. The thinking and activities of the membership of this Congress for months have been in terms of preparedness and, with the billions of dollars appropriated for purposes yet to stand the test, it is easy to see that business-as-usual is not the order of the day.

The importance of TVA is to be seen in the fact that the United States Government has invested in the TVA power system nearly $440,000,000 and that our Government owns the TVA real property, its generating plant, its distributing system, and its earning capacity. We have been shown by the debate here that the TVA alone supplies power to this vast section of the country and that in no other way can the growing demands of this area be met. It has been pointed out that the steam plant is nothing new in the operation of a hydroelectric system or a system which generates most of its electricity by water power and is not even new to TVA operations. Furthermore, we know that where hydro power is available for a greater part of the year that there is a great advantage in having a steam plant to operate during the dry months in order that there may be a dependable flow of power throughout the entire year.

The Tennessee Valley, as the sole supplier of power in an area of 80,000 square miles, parts of 7 States and 5,000,000 people, is an asset to the entire Nation and should be developed to meet the demands for power in that area both now and in the foreseeable future.

There is no doubt but that there is at present a terrific power shortage, not only in this section but throughout the United States. Many people have been seeking TVA for a great number of years and countless rural homes are still waiting to be supplied with electric power which has been denied them due to the heavy load now being carried by the power systems in the sections waiting to be served. The progress of this great service should go forward, not backward.

I plead with you to provide this steam plant to firm up this hydro power which you provide in this bill. The Nation needs this firm power; we need it for the farmers of the Nation, for the municipalities of this region, but, above all, an adequate supply of electricity is needed for the atomic-energy plant at Oak Ridge, and it is needed to provide the aluminum for the 70-group air force you provided today. As a member of the Armed Services Committee I know such an air force is the first move toward peace.

Weeks ago I opened the fight for such an air force because I knew it to be a move toward peace. The Senate backed this measure, 74 to 2, and in the House of Representatives there were only three dissenting votes. We must have such a 70-group air force, and, yet, all this will be in vain unless we have the electricity to provide the aluminum to build the planes.

I plead with you to provide this steam plant to firm up this new water power and thereby make available 1,000,000,000 kilowatt-hours of electricity needed for domestic use, and absolutely essential for adequate national defense.

The CHAIRMAN. The gentleman from Missouri, chairman of the committee [Mr. PLOESER], is recognized for 5 minutes. It is the understanding of the Chair that the gentleman is claiming 2½ minutes of the 10 originally reserved to the committee, in addition to the 2½ minutes allowed him because of the fact that he was one of the Members on his feet seeking recognition at the time limitation was fixed.

Mr. PLOESER. That is right; and if I do not consume the time, Mr. Chairman, I ask unanimous consent that it still may be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Chairman, there have been a lot of arguments go over the dam in the last 2 days. The simple fact is that the Committee on Appropriations decided after very exhaustive study of the Tennessee Valley statutes, its history, and the surrounding arguments that have been presented legally over the years that there was no authority in the Tennessee Valley Act for an authorization for the building of a steam power plant. Based upon that opinion the committee acted as it did.

I note that the gentleman from Tennessee [Mr. GORE], a very distinguished member of this committee, who does not agree with the majority opinion of the

committee, has offered an amendment to the bill which merely increases the appropriated amounts by $4,000,000, but deliberately avoids writing into the bill a specific authorization naming the construction of a steam power plant. That may simply be an oversight or it may be fear of the fact that there is no such authorization and that such an amendment would not hold.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I will in a moment, but not right at this point.

We do not believe that there is authority in the law for the construction of this plant. You can twist these arguments all you choose into public versus private power, but the fact remains that this committee has in its history permitted the fulfillment of the program in connection with the development of hydro-electric power and the building of such dams, despite the occasional propaganda which has emanated from the Tennessee Valley born of some government source which has tried to accuse the committee to the contrary.

I do not believe that even if this statement passed—and I do not believe it will pass—but should it pass, should you increase the amount to $4,000,000—I do not believe the Tennessee Valley Authority has the authority to use it for the construction of a steam power plant, and I think before you have finished they will find that they have $4,000,000 which cannot be spent until there is legislative authority which will necessarily have to come from a legislative committee granting them the use of this money for that purpose.

I do not believe in its wisdom that the General Accounting Office could approve the expenditure of this $4,000,000 for that purpose.

You can argue all you want to the contrary, you can satisfy any man's natural ego, but in a degree it is a little bit unfair to say to the people of the Tennessee Valley, many of whom agree with the arguments made by the proponents of the amendment that this $4,000,000 clears the track, gives them the money to begin a great project that will cost ultimately $84,000,000 to construct steam plants and all incidental facilities only to learn at a subsequent date that the administration of the Tennessee Valley Authority would not find in the law sufficient authority and could not obtain approval from the General Accounting Office. That is based upon a rather thorough study of the entire history of this case.

It is easy enough to go on making arguments that we want a steam plant, we need a steam plant, give us a steam plant, but that is not the way to legislate. Of course, the argument that if you deny or give, authorize or not authorize a steam plant for the Tennessee Valley Authority applies to every other hydroelectric project in the United States. That argument borders on the ridiculous. I cannot accept it myself.

I hope the committee will see fit, therefore, to stand by the Appropriations Committee by voting against the pending amendment.

Mr. Chairman, the proponents of the amendment are well aware of the lack of authority. Had language been offered it is my opinion that it would have been lost on a point or order.

The construction of a statute cited as authority for an appropriation presents one of the most difficult problems in parliamentary procedure if that statute fails to specifically authorize, in definite terms, the proposed appropriation. Various decisions of the Chair have dealt with the complications presented in such a case, but the most explicit statement on the point is included in a decision by the Honorable William J. Graham, of Illinois, presiding in the Committee of the Whole House on the State of the Union in 1922, when he stated:

First, the words of this act of November 2, 1921, must be given their fair and ordinary interpretation; and second, it seems to the Chair that the rule doubtless is that a strict construction should be given to every authority that is contained in any act of this kind. In other words, if there is doubt about the authority it ought not to be construed to be an authorization (7 Cannon 1216).

According to another decision the general statement of purpose for which a department is established, as set forth in the organic act creating it, is not to be construed as authorization for appropriations not specifically provided for in succeeding sections of the act providing for bureaus designated to carry out the declaration of purpose. In support of an appropriation in 1919 for the Department of Labor to advance the opportunities for profitable employment of the wage earners of the United States the statement of purpose—in almost identical language—included in the organic act creating the Department was cited. The chairman, the Honorable John N. Garner, of Texas, sustained the point of order. Two years later, in 1921, Mr. Joseph Walsh, of Massachusetts, sustained a point of order raised against a similar appropriation under the same purported authority—Seventh Cannon's Precedents, pages 1264, 1265.

A declaration of policy embodied in a statute has been held by the Chair not to authorize appropriations for purposes germane to the policy but not specifically authorized by the act. The Congress had enacted a law declaring it "the policy of the United States to do whatever may be necessary to develop and encourage the maintenance of a merchant marine," and that declaration was cited, in 1927, as authority for an appropriation for loans to purchasers of ships. The chairman, the Honorable James T. Begg, of Ohio, held the appropriation was not thereby authorized—Seventh Cannon's Precedents, page 1200.

A mere statutory reference to an office was held, in 1921, not to be sufficient authorization to warrant an appropriation for pay of an incumbent. In that case it was proposed to appropriate for pay of Indian police. Indian police had been mentioned in various acts of Congress and had been appropriated for in a number of annual appropriation acts but when the point of order was raised by the chairman, the Honorable Simeon D. Fess, of Ohio, held that, since the laws cited did not specifically authorize their appointment, the appropriation was not in order—Seventh Cannon's Precedents, page 1215.

Certainly there is no specific authority in the Tennessee Valley Authority Act for the construction of steam plants and the appropriation may be supported only by an interpretation of the act. The general counsel of the Authority, in a memorandum on the subject—page 1050, hearings, Government corporations appropriation bill, 1949—states as follows:

TVA's statutory authority to construct steam plants is clear. (See TVA Act, secs. 4 (f), (i), and (j); 14; 15.)

Section 4 (f) merely authorizes the Board to purchase, lease, or hold real and personal property.

Section 4 (i) authorizes the Board to acquire real estate for the construction of facilities.

Section 4 (j) sets forth the power of the Tennessee Valley Authority to construct dams, reservoirs, and so forth. That part of the section which relates to the construction of power houses and power structures generally is quoted below as follows:

and shall have power to acquire or construct powerhouses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries.

Section 14 directs the Board to establish the value of the various properties of the Authority and to allocate the cost thereof to the various purposes of the act. Steam plants are referred to only incidentally in this connection.

Section 15 authorized the Tennessee Valley Authority to sell bonds for use in the construction of any future dams, steam plants and other facilities. This authority to sell bonds was subsequently repealed so the entire section is without present effect.

Section 4 is the section which delineates the powers of the Authority. The particular provision important to this discussion is subsection 4 (j) wherein the authority to construct power houses is specific, and it is the only place in the act where the authority to construct any type of work or facility is definitely, directly and specifically stated. Therefore, it must be looked upon as being the basic authority for appropriations for construction of facilities necessary to the purposes of the act. When such a specific section exists in a law, the power of the Chair to indulge in speculation as to the meaning of other vague sections of the act to justify a purpose which is not included in the definite specifications is greatly reduced.

Subsection (j) authorizes the Authority to construct power houses and other types of structures "in the Tennessee River and its tributaries." It seems only logical to conclude that this section tends to authorize only the construction of hydroelectric plants inasmuch as powerhouses are specifically authorized for construction "in the river" where certainly a steam plant could not be constructed.

The purposes for which the Tennessee Valley Authority was created are set forth in section 1 of the act, as follows:

For the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Ala., in the interest of the national defense and for agricultural and industrial development, and to improve navigation in the Tennessee River and to control the destructive flood waters in the Tennessee River and Mississippi River Basins, there is hereby created a body corporate by the name of the "Tennessee Valley Authority."

It should be noted that this section does not mention development of power.

The board's authority to sell power founds in subsection L of section 5, which reads as follows:

(L) To produce, distribute, and sell electric power, as herein particularly specified.

The use of the word "particularly" in this section must have some especial significance inasmuch as it is not used in connection with the other powers vested in the Board by section 5 or, for that matter, in connection with the powers of the Authority itself as set forth in section 4. It becomes important, therefore, to determine just what is "particularly specified" in other sections of the act with respect to authority to "produce, distribute and sell electric power." Sections 9a and 10 delineate the powers of the board, and of the authority, in this field. The authority to sell power is set out in section 10 as follows:

The Board is hereby empowered and authorized to sell the surplus power not used in its operations, and for operation of locks and other works generated by it, to States, counties, municipalities, corporations, partnerships, or individuals.

This section refers only to surplus power.

Section 9 (a) authorizes the Board to generate and market power in the following words:

The Board is hereby directed in the operation of any dam or reservoir in its possession and control to regulate the stream flow primarily for the purposes of promoting navigation and controlling floods. So far as may be consistent with such purposes, the Board is authorized to provide and operate facilities for the generation of electric energy at any such dam for the use of the corporation and for the use of the United States or any agency thereof, and the Board is further authorized, whenever an opportunity is afforded, to provide and operate facilities for the generation of electric energy in order to avoid the waste of water power, to transmit and market such power as in this act provided, and thereby, so far as may be practicable, to assist in liquidating the cost or aid in the maintenance of the projects of the Authority.

It should be noted that in this section the Board is required to conduct the operation of the dams and reservoirs primarily for the purpose of promoting navigation and flood control and that the power to generate and dispose of electricity is secondary to navigation and flood control, and that the authority to furnish power to other than Government agencies is only "in order to avoid the waste of water power."

In sections 11, 12, and 12a, the sale of electric power is referred to but in each instance the language of the act meticulously refers to the sale of surplus power.

Sections 22 and 23 of the act authorizes the President, in broad language, to conduct surveys of the Tennessee River Basin and to make plans therefor looking toward the physical, economic, and social development of the area and to make recommendations to the Congress with respect to such legislation as he deems proper to carry out the general purposes so stated, but in enumerating the subjects on which he may recommend legislation the following is stated with respect to electric power:

(3) The maximum generation of electric power consistent with flood control and navigation.

Clearly, that sentence, by its reference to flood control and navigation, could refer only to hydroelectric power. There seems no question that the use of the word "particularly" in section 5L when read in conjunction with other provisions of the act delimits the power of the TVA to the sale of its surplus hydro-produced power.

There is no provision in the act which gives the TVA any authority whatever to construct power facilities, to generate electric power, or to sell electric power, except as the manufacture of such power may be incidental to the primary purposes set forth in the act—navigation and flood control—and as such electric power as is offered for sale is surplus to its own requirements. Indubitably the power business of the TVA is purely an incidental business and authority of law for appropriations for its power activities must therefore be even more specific than for the primary purposes of the act. Consequently, it does not seem appropriate to indulge in strained interpretations of indirect references in the act to support the contention that there is authority for the construction of steam plants. It must be concluded that no such authority subsists, inasmuch as, first, there is no specific authority in such act for the construction of steam plants; second, the authority of the Board to sell power is restricted to the selling of surplus power; and third, the construction of steam plants would be only for the purpose of putting the Tennessee Valley Authority in the power business as a primary rather than an incidental objective.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, TVA itself admits that it is within 500,000 kilowatt-hours of the ultimate hydro development in its valley; that the dam sites now existing on the various rivers down there will complete all the possible hydroelectric installations.

I have not taken any time in general debate, but I do for a moment wish to direct attention to page 462 of the hearings to an exchange between Mr. Clapp and myself as to the cost of generating power at the Watts Bar steam plant.

(The information requested follows:)

Generating costs—Data for fiscal year 1947

[Mills per kilowatt-hour of net generation]

	TVA hydro plants	Watts Bar steam plant
Operation	0.23	2.44
Maintenance	.05	.25
Total production expense	.28	2.69
Provision for depreciation	.36	.74
Total	.64	3.43

Mr. CLAPP. We will supply those figures, and I think too, that you will be interested in the report of this committee a year ago.

Mr. CLEVENGER. Obviously.

I cannot take too much of your time at present. But you will see that the production at the Watts Bar steam plant is 10 times the cost of hydro production. You will see also that the cost of maintenance is 5 times as much per kilowatt-hour. If you are going to embark on this proposition of providing steam plants I want you to consider that you are going into a field in which they themselves say the cost will be 10 times as great and maintenance 5 times as much.

I want to remind you too that the Monsanto Chemical Co., one of the beneficiaries of this cheap power down there is building a new plant near Dayton in my State. A lot has been said here about Insull, Wall Street, and private companies. As the gentleman from New York [Mr. COUDERT] said yesterday, less than 33⅓ percent of the power developed down there at present is going to the preferred customers. The Monsanto Chemical Co. is building a great plant south of Dayton, in my State, but they are preparing to buy their power and pay for it. They are not asking the United States Government to come into Ohio and build a power plant there.

It just sort of borders on the ridiculous to sit through the committee hearings with these wonderful gentlemen on the minority side, without any heat, without any recrimination, without any charge of sectionalism, and then hear them on the floor, these special pleaders, make these arguments. They simply set-up straw men, then knock them down. It is a question of those who want to continue to feed at the public trough. The municipalities and cooperatives are and can be supplied for any foreseeable period of time.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, as we come to the conclusion of debate on this amendment, there are, in my opinion, some facts that have not been clearly brought out by various Members who have discussed this matter on the floor.

The Tennessee Valley Authority is the only utility in a big section of our country. It is the only source of power for parts of 7 States, for 80,000 square miles of territory, and 5,000,000 citizens. Whether the Congress was right in so providing is a moot question, because the Congress so decided and today this 5,000,000 people can look only to the TVA

for power. If the people in that area are to get electricity, it must come from the TVA, because that is the only utility. All utilities in other sections of the United States are putting up steam plants and increasing their producing facilities to meet the needs of the public, and if you turn this amendment down today you are saying to the TVA region and that region alone, "You cannot do what they are doing in every other section of the United States," and that is to increase the production of electricity in an effort to meet the needs and the demands of the people of your section. The TVA is a fact. It is a utility. As someone has said, it is a monopoly in this area. A public utility is a monopoly in practically every other section of the United States. To provide otherwise would be to have duplicate lines, duplicate facilities, and increased costs.

Now, I would like to call your attention to another fact in this case. Opponents of this amendment raise the question of the legality of the TVA building a steam plant: Who raises that question? Those who would vote against this amendment if they knew there was all the authority in the world for such construction; those who have been led to believe that development of the TVA region has hurt them—when in truth the development of the TVA area has given markets greater than ever before existed. There is not a one who raises the question of authorization who would vote for this amendment, regardless of what the law is. Let us see if a steam plant is anything new. When the TVA took over Wilson Dam constructed in 1918, they took over the hydro units, and they also took over a steam plant. When the TVA bought the hydroelectric power units of the Commonwealth & Southern they bought with it steam plants, all with the approval of this Congress. What is the difference in buying and operating a steam plant and building and operating a steam plant? However, in 1939 this Congress specifically authorized the TVA to build a steam plant, they did build it, and today the TVA operates five steam plants in connection with their hydro power system.

It has always been recognized that steam power to firm up hydro power is essential for the maximum benefit of the hydro or water power. It was recognized as stated when Wilson Dam was built. This fact was recognized by Commonwealth & Southern and by this Congress. Last year the TVA developed 1,000,000,000 kilowatt-hours of electricity by steam. Why? Because during the dry seasons the hydro capacity is low; it must be raised by steam in order to make dependable the hydro power available most of the year. Under the TVA Act dams were built on the Tennessee River for flood control and navigation, just as we have done in every other section of the United States. In arguments made here this is complained of. In North and South Dakota alone this Congress has provided for the spending of more money for flood control than has ever been spent in the TVA area for flood control, navigation, and electric current all combined, or so I am advised.

Now, we provided nothing more than was provided in other sections when we provided for flood control and navigation in the Tennessee Valley. But here—and I think it was wise, and I think it ought to be done in other sections, but whether you agree with that or not, it was done—we provided that as long as the reservoirs were kept sufficiently empty to provide reservoir space for flood control, and as long as the water was kept high enough to provide navigation, under the TVA Act the TVA, within those limits, was directed to manufacture all the electricity that the water power would produce, so as not to waste water power. Now, we all recognize that need. To fully utilize that power some provision had to be made to supply power needs during the dry seasons, steam-generated power was necessary. The Commonwealth & Southern recognized it. In the building of Wilson Dam we recognized it. This Congress recognized it in 1939 when we authorized the construction of the Watts Bar steam plant by TVA. If you have waterpower only a part of the year, it is common sense in the dry season to operate a steam plant so as to make the water power firm on a year-round basis. There is not a man here that would want to sign up with any company, TVA or otherwise, for electricity, when he knew he could obtain such electricity only when waterpower was available. You want permanent, dependable, reliable power. The TVA last year generated a billion kilowatt-hours of electricity by steam, and as a result they sold from 14,000,000,000 to 15,000,000,000 kilowatt-hours of electricity from waterpower and steam. Without the 1,000,000,000 kilowatt-hours of steam electricity, they would have been able to sell only 9,000,000,000 kilowatt-hours of firm electricity.

In this bill more than a quarter of a billion kilowatt-hours of electricity from water power is provided for the TVA in new hydro generators. If the steam plant is added to firm up that water power, 1,000,000,000 more kilowatt-hours of electricity will be made available to a Nation crying for electricity—not to the TVA region alone, but the country, because any surplus of electrical power the TVA has, is today, and will be made available to the private utilities. They get it now. They want all they can get from the TVA. Last year this Congress said the TVA must repay to the Government the money invested in power facilities. Of course, after the Government is repaid the TVA will still belong to the TVA. Last year a payment of more than $10,000,000 was made. The TVA will make another payment this year. The TVA made a profit because by the use of steam to firm up this water power they were able to sell from 3,000,000 to 5,000,000 more kilowatt-hours of electricity than they would have been able to do in the absence of steam power.

If this new hydro power provided by this bill is firmed up it will mean $2,000,000 per year net profit to the TVA and thus to the Government. If it is not firmed up, it must be sold at dump rates as undependable electricity and if the private companies can firm it up they make this profit.

It is my judgment that since the private utilities cannot meet their own needs they cannot firm up this power. But, if the majority is sincere in its efforts to protect the Government's investment, why do they not firm up this additional hydro power provided in this bill if thereby they can make more dependable electricity available.

Today the entire Nation faces a critical power shortage. There is less than two-tenths of 1 percent margin of safety between the amount of power used and the amount of power that is available. Today we are right on the brink of having insufficient power to meet our domestic needs. Many private companies are having to ask their customers to cut down, street lights are dim, Navy vessels are being used, electrical appliances are being damaged, all because of the national shortage. I do not see how the Congress could afford to pass up this opportunity to make another 1,000,000,000 kilowatt-hours of electricity firm and dependable. When you provide the extra hydro in this bill and a steam plant in addition not only makes this 1,000,000,000 kilowatt-hours dependable and reliable in time of great national need, but actually will result in $2,000,000 net profit to the Government over the amortization of the cost of the steam plant. If you do not do this the new hydro power must be sold as dump power, power that is not firmed up. If you do not permit the TVA to firm this power up, in my opinion, they are going to have to continue to sell it at cheap rates to big industry, which can run when the power is available and close down when it is not, and yet that is what the opponents of this amendment say they object to.

Today we have passed through this Congress an appropriation for a 70-group air force. That air force is on paper. It is going to take planes, and planes are going to take aluminum. That aluminum must largely come from the Tennessee Valley, if power is available. In the Tennessee Valley area we have the Oak Ridge plant manufacturing atomic bombs and largely supplied by TVA power. It is requiring today great amounts of electricity and it will take more in the future. I say to you that if you do not grant this steam plant today you are saying to the country that 1,000,000,000 kilowatt-hours of electricity that the country needs shall not be made available as firm, dependable power because we do not want to add a steam plant to go with the new hydro power provided for by this bill where there are already 5 steam plants which you have provided for the hydro power already in operation by the TVA. You say you are not interested in the $2,000,000 annual net profit to the Government that would come from the tying of the steam plant into the hydro system—and yet you claim you want the TVA to return the amount invested to the Treasury.

No, the people of other sections have been led to believe that the development of this area has been at their expense. This is not true. If all undeveloped sections could be developed, it would help all the rest of the country. The added purchasing power and goods purchased

in this area is tremendous and provides a great new market for products from all sections of the United States.

The Nation needs this extra firm power a steam plant would bring to the new hydro units provided in this bill. The Government needs the $2,000,000 net profit which would result, to pay for our investment in the TVA. I cannot see how, in view of our dire shortage of electricity, anyone could oppose the construction of this plant. Since this is the only source of power in the area you should want this utility to meet the needs of the people it serves. The private utilities will get any surplus they have.

If the Republican leadership today turns down this amendment, in my opinion, you demonstrate that as a party you are not only against the development of public power, but are for strangling that which we have. You are for continuing our present shortage and for giving this $2,000,000 that the TVA could net from this great natural resource to the private power interests.

Today you make your record and I think for whatever it may be worth, if you defeat this amendment you say to the States of Tennessee and Kentucky, and others as well, and to the great West and Midwest, the Republican Party is opposed to public power development. Not only that, but it is opposed to permitting the production of the maximum power where public power already exists. I do not believe you want to go to the country with any such record.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I wonder if there has ever been a time in the history of this House when so much energy and persuasive eloquence has been spent for the benefit, the special benefit, the special privilege of the Aluminum Co. of America, the Monsanto Co., and all the other great industrials who will be the only direct and immediate beneficiaries of this steam plant.

The gentleman from Mississippi who has just had the floor made an impassioned plea for more power in the Tennessess Valley. "If this steam plant is not provided, the Tennessee Valley will run short of power." What is the matter with those great companies who are presently cashing in on the subsidized cheap power? Cannot each one of those companies build a steam plant for its own surplus requirements just as cheaply as can the taxpayers of the United States? Is there any reason, even, why some of the great cities and municipalities of the area should not build their own steam plants? As to those municipalities, that necessity of course will not arise, as was pointed out yesterday and repeatedly today, because the present production of hydroelectric energy by the present installations of the Tennessee Valley Authority is entirely ample to meet the demands of the municipalities and cooperatives as far as the imagination can see, and it was so admitted and conceded without reservation by Mr. Clapp, who is Chairman of the Tennessee Valley Authority.

Much has been made of the fundamental principle of public development of electric water power. There is nothing in this bill which in any way, shape, or form limits hydroelectric development or limits the right of TVA to take advantage of the water-power resources of the valley. The bill carries $29,000,000 for the development of new and additional generators, 11 of which will produce 400,000 more kilowatts when completed in the next year or two, which is almost 20 percent additional capacity. In addition to that, TVA will shortly have the benefit of 200,000 more kilowatts to be generated from new dams constructed by the Corps of Engineers on the Cumberland River. So that you can look forward to 600,000 more kilowatts of power to be distributed by the TVA in the next 2 or 3 years. So it is quite obvious that the steam plant is not needed for the fundamental purposes of TVA, which was to supply its byproduct—electric energy—to the preferred class of customers in the valley, to wit, municipalities and cooperatives. Therefore, what does this steam-plant proposal in effect do? It in effect marks a departure—a radical and fundamental departure—from the initial purposes of Congress in the enactment of the TVA enabling law. It marks a departure from the philosophy of TVA accepted by David Lilienthal, whom no one can charge with being reactionary in matters of TVA or public power. In the committee report we quote that same distinguished gentleman who is now Chairman of the Atomic Energy Commission testifying before a joint committee of the Congress. In his testimony he points out most emphatically the fundamental difference between TVA and a public utility. Says he:

> A public-utility company has no problem of increasing demands. It merely builds new facilities.

"TVA, however," says he, "builds its dams not in response to the power-market situation, but only in response to the demands of navigation and flood control," which were the initial and primary purposes for which TVA was originally set up. Therefore, if this amendment is adopted, you will not only fly in the face of the initial purpose of TVA, you will not only completely flaunt constitutional limitations, you will not only fly in the face of a normal and proper construction of the act and the limitations of authority contained in the act, but you will be opening the door wide to unlimited development of TVA as, primarily a great utility system, by permitting the construction of 1, 2, 10, 20 steam plants—there is no limit. You will be passing beyond the phase of development of water power into the phase of subsidizing a great unlimited public utility for the benefit of a small percentage of the American population who have the good fortune to reside in the Tennessee Valley and those few great industrialists and their stockholders who had the good sense to move in and take advantage of that cheap power. It becomes, in effect, the Tennessee Valley versus the United States and all the other taxpayers. You are confronted with Mr. Lilienthal on one hand and Mr. Clapp on the other. It is not just a question of the steam plant, it is a question of the fundamental principles involved. Is the United States at this time, by means of an appropriation bill to determine a great question of policy, to wit, shall we establish a great Government utility to be subsidized by the taxpayers of the Nation for the benefit of a small group of people who live in the Tennessee Valley? That is the fundamental issue. That is the issue which the committee believes should be decided only after the full and careful consideration afforded by proper hearings before the appropriate legislative committee of the House.

I therefore urge that the amendment be defeated.

The CHAIRMAN. The time of the gentleman from New York [Mr. COUDERT] has expired.

Mr. MILLER of Connecticut. Mr. Chairman, several proponents of the amendment to increase the appropriation for TVA by $4,000,000, the four million to be used to start the building of a steam-generating power plant, have complained that sectionalism has been injected into this debate. I have not heard anyone who opposes this appropriation state that this was a question involving sectionalism.

I recognize the fact the TVA is a going concern. We have spent hundreds of millions of dollars in developing TVA and while I was not a Member of Congress when the Government embarked on this program, I have on several occasions supported recommendations made by the administration for the further development of the TVA area.

The question before us today is different from any we have previously considered. It is admitted that this is the first appropriation for an $84,000,000 steam-generating power plant. By no stretch of the imagination can anyone claim that flood control or navigation is involved in any way.

No one can successfully contend that the taxpayers of the United States are not subsidizing those who purchase electric energy from the TVA. Can there be any sound justification for having the Federal Government pay part of the electric-power bill for consumers of electricity in an expanded TVA program?

If we build a huge steam plant in Tennessee it will not be long before the Members from California will ask for an appropriation for steam plants in the Central Valley area. That prediction is strengthened by listening to the statement of the distinguished Member from the Central Valley area, the gentleman from California, Congressman LEROY JOHNSON, who has today spoken in support of the amendment now before us. Following the request for steam plants in California there will come like requests from every other area in which we now are developing at Federal expense hydroelectric energy. A few years from now and the taxpayers of the United States will be subsidizing the electric-power bills of about a third of the people of the United States. The

next logical step would be to nationalize the electric-power industry in the United States.

A great deal has been said during this debate about the power supplied by TVA for the war industries located in that area. I want the record to show that in my State, and I believe the same can be said of all of the Eastern States, that not a single hour's production was lost during the war years by failure of the privately owned public power companies to provide the necessary electric energy.

In his state of the Union message to Congress President Truman urged that private business expand their various industries, thereby increasing the production of needed consumer goods, making available new investment opportunities and as a direct result of such expanded business activity increase the revenues of the Federal Government. If the Federal Government is going to set up unfair competition for private business where, I ask you, will the needed tax revenues come from in the future.

I wish that before this debate comes to an end some proponent of the requested appropriation would tell us just how much the TVA program has cost the Federal Treasury, the State treasuries in that area, and the local communities who would otherwise be now collecting taxes from privately owned public utilities. In my own State of Connecticut our electric light and power companies in the year 1946 paid taxes to local, State, and Federal governments amounting to almost $12,000,000. On the basis of the kilowatt-hours sold to consumers this tax amounts to 4.81 mills or about a half a cent per kilowatt-hour. In other words, if these companies did not pay taxes they could reduce their charge for electric power by about one-half a cent per kilowatt-hour without reducing their profits and without reducing wages of their employees.

I accept the opinion of the subcommittee who have reported this bill to us in their finding that there is no authority in law for the appropriation of funds for the building of a steam plant. If those who are charged with the responsibility of administering the TVA Act now want that authority, I believe they should come in with legislation requesting such authority and in that way give the Congress an opportunity to thoroughly debate the issue involved from every possible angle.

I strongly urge the defeat of the pending amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed Mr. PLOESER and Mr. GORE to act as tellers.

The Committee divided; and the tellers reported there were—ayes 120, noes 157.

So the amendment was rejected.

Mr. PLOESER. Mr. Chairman, I wish to ask the gentleman from Texas whether he knows of any other amendments to be offered and whether he would object to considering the bill as read, amendments to any paragraph of the bill to be——

Mr. MAHON. I may say to the gentleman from Missouri that I personally know of no other amendment to be offered from this side. There may, however, be other amendments.

I have no objection to considering the bill as read.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent that the bill be considered as read, the bill to be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. Is there a point of order against any of the remaining paragraphs of the bill? The Chair will entertain them at this time. Points of order will not be entertained after the consideration of an amendment has been undertaken. [After a pause.] The Chair hears none.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the last word of the section referring to the RFC. That section of this bill which contains the appropriations for the administration of the RFC reminds us that the Committee on Appropriations, and perhaps this particular subcommittee, has a very important job to do. Under the European recovery program, now called the economic cooperation plan, the RFC was authorized, as I understand it, to advance $1,000,000,000 to get the program started. I think it is important that this House should know what that money is being spent for, and in particular, I want to ask this subcommittee how much, if any, of this appropriation we are discussing today, is being used for the administration of the foreign-aid program, thus in effect adding indirectly to the appropriation the Subcommittee on Deficiency Appropriations is discussing for foreign aid. We should know it, Mr. Chairman, if the administration asks for money for one purpose, and uses it for some other purpose; or if it asks for money for one agency, and then implements the appropriation by using funds allotted another agency.

This leads me directly, Mr. Chairman, to another phase of the presently confused subject of foreign aid. For more than a year, since the distinguished occupant of the White House decided there had to be a foreign policy named after him, instead of just a foreign policy credited to his predecessor, we have been told that we were working to "contain communism." The idea is alliterative but deceptive. First, we had the Truman doctrine. To the obvious embarrassment of General Marshall—excuse me, Secretary Marshall—who had only a few weeks before he told the Chinese National Government that it would have to combine with Communists, to receive any more United States aid, we told the nations of Europe they would get no aid from us, unless they separated completely from the Communists.

As the European recovery plan developed, the idea was whooped up that by our mighty efforts and great sacrifices, we would prevent the further spread of communism in Europe. This may also embarrass Secretary Marshall—who is without question an honest man personally, and who doubtless wishes he were just Mr. Marshall—for I now read by the papers that we are still shipping scrap iron to Czechoslavakia, behind the iron curtain. I read that when the head of one of our organizations in Germany called a halt to this practice, the freeze order was countermanded by higher authority. Mr. Marshall might like to explain how this contains communism. I would also like to know if it is true that designs and specifications of our more recent aircraft, furnished by agreement to one of our most trusted allies, also found their way back of the same iron curtain, through the socialistic government now controlling that nation. Does that contain communism?

These are two of many incidents. Ships loading at a New Jersey port, with important machinery and supplies for Russia, at the same time the President was talking about containing communism. The entire output of locomotives from one American manufacturer going to Russia. In a recent speech, Mr. W. Averell Harriman, our new Ambassador at Large, or should I say largess, who was approved for that job by another body of the Congress at the same time the House of Representatives was demanding he release a letter from Mr. J. Edgar Hoover of the FBI, which formed the basis for an entirely proper question concerning the security factor in keeping a much-publicized scientist on the job he still holds in the Department of Commerce; in that speech Mr. Harriman is reported to have said, "This country has embarked on a program to face Communist aggression." In the same speech Mr. Harriman is also reported to have advocated "increased trade between western Europe and Russia, to break down barriers between them" and that he added that "the United States would be ready to extend a friendly hand to the Kremlin."

When I was in college there used to be a joke about one of the professors who was reported to have spoken of going out of the room with his back to the door in front of him. Mr. Harriman is the only other person in my experience who could undoubtedly perform this rather difficult feat.

The truth of the matter is, Mr. Chairman, that no nation of Europe, and no intelligent Member of this Congress, and no understanding citizen of the United States has the slightest idea that the Truman doctrine, nor the Marshall plan, nor ERP, nor ECA, will contain communism. The only thing that will contain communism is strength, supported by courage and determination, and backed by a firm and unchanging foreign policy on the part of the State Department of the United States.

Mr. Hallvard Lange, the Foreign Minister of Norway, was undoubtedly expressing the attitude of all foreign ministers when he was quoted in the Norwegian News of Brooklyn on March 4, 1948, as saying that—

> Instead of hampering trade with eastern Europe, the Marshall plan presupposes an increased commerce between eastern Europe (i. e., Russia) and the 16 countries.

Mr. Lange continued:

Thus, we have during the past 2 months signed a new trade treaty with the Soviet Union which for 1948 will give us one-third of our needs of our bread grains in exchange for herring, whale oil, and similar products. Our trade with Poland brings us coal in exchange for fish, horses, and industrial products; and in the near future we will begin discussions with Czechoslovakia for a new trade treaty. In the same manner we hope to expand our commerce with Hungary, Yugoslavia, and the eastern European states where our trade is now small.

Understand me, Mr. Chairman, I am not objecting now to this trade between European countries, particularly when it is confined to non-war-making commodities. But I rise to remark that we should be honest about it, and that the State Department should be honest with the American people. I want the House Committee on Appropriations to take time enough to find out, for all of us, whether this is a program to contain communism or one which in reality extends a friendly hand to communism. I want that committee to find out just what is going behind the iron curtain from this country, and how, and who pays for it. I want to know these answers, and some other answers along the same lines, before the Members of Congress are asked to vote billions of hard-earned money, belonging to the men, women, and children of the United States. I do not want that money used largely to keep alive and underwrite Socialist and Communist governments in Europe.

The pro forma amendment was withdrawn.

Mr. HESELTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it may seem inappropriate, with the temperatures we are enjoying here at this time, to raise this question which I have done repeatedly throughout this session. But I think no one who has had an opportunity to read the report of the Subcommittee on Armed Services, which was recently published, dealing with the situation confronting us as a nation in terms of the lack of petroleum and petroleum products, will take issue with the questions I wish to address to the chairman of the committee with reference to the committee's intention as to expenditures of the appropriations in this bill. I confess I have found very little in the hearings or in discussing the matter with the committee that would indicate any substantial amount of new installations or proposed conversion from coal to oil.

However, in connection with the Panama Railroad there is a provision for dieselizing a number of locomotives in that area. That raises the question which is before us even in this country in terms of the wise extension of Diesel power on our railroads at a time when none of us know whether we are going to be in a fuel-oil shortage next winter, or whether we are going to be, in fact, able to provide the necessary and essential petroleum products with which to operate our military services. I assume, too, that in connection with the operation of the Housing and Home Finance Agency, both directly and probably indirectly, this very problem is involved. I have talked with the chairman. I know he is in accord with the sensible operation of any kind of conservation of our fuel resources.

I simply want to ask this question for the record and for the guidance of those who have to spend these funds: Is it the committee's intention that there shall not be new installations of oil-burning equipment or conversion from coal to oil equipment except where it can be clearly demonstrated that that is economically wise in areas where there may not be any such problem to meet?

Mr. PLOESER. The gentleman can certainly feel sure that that is the opinion of the chairman of the subcommittee, and I think it is probably safe for me to express that as the opinion of the entire subcommittee. I know of no exception to that opinion.

Mr. HESELTON. I thank the gentleman.

Mr. PLOESER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRANT of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6481) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1949, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. PLOESER. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. GORE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GORE. In its present form, I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GORE moves to recommit the bill to the Committee on Appropriations with instructions to report it back to the House forthwith with the following amendment: On page 2, line 9, strike out "$27,389,061" and insert "$31,389,061"; and in line 13 strike out "$21,689,000" and insert "$25,689,000."

Mr. PLOESER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. GORE. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 152, nays 192, not voting 87, as follows:

[Roll No. 59]

YEAS—152

Abbitt	Forand	Morris
Abernethy	Garmatz	Morrison
Albert	Gary	Murdock
Allen, La.	Gathings	Murray, Tenn.
Andrews, Ala.	Gordon	Norblad
Angell	Gore	Norton
Bates, Ky.	Gorski	O'Brien
Beckworth	Gossett	Pace
Bland	Granger	Passman
Blatnik	Grant, Ala.	Patman
Bloom	Gregory	Peden
Boggs, La.	Hagen	Peterson
Bonner	Hardy	Phillips, Tenn.
Brooks	Harless, Ariz.	Pickett
Brown, Ga.	Harrison	Poage
Bryson	Havenner	Preston
Buckley	Hays	Price, Fla.
Bulwinkle	Hill	Price, Ill.
Burleson	Holifield	Priest
Byrne, N. Y.	Horan	Rains
Camp	Huber	Rankin
Cannon	Hull	Rayburn
Carroll	Isacson	Redden
Celler	Jackson, Wash.	Regan
Chapman	Javits	Richards
Chenoweth	Jennings	Riley
Colmer	Johnson, Calif.	Rockwell
Combs	Jones, Ala.	Rogers, Fla.
Cooley	Karsten, Mo.	Sabath
Cooper	Kefauver	Sadowski
Courtney	Kelley	Sasscer
Cox	Kennedy	Smathers
Cravens	Kerr	Smith, Va.
Davis, Ga.	Kilday	Somers
Davis, Tenn.	King	Spence
Delaney	Klein	Stanley
Dingell	Lanham	Stockman
Donohue	Lesinski	Teague
Doughton	Lucas	Thomas, Tex.
Douglas	Lynch	Tollefson
Durham	McCormack	Trimble
Eberharter	McMillan, S. C.	Vinson
Ellsworth	Mack	Wheeler
Evins	Madden	Whitten
Fallon	Mahon	Whittington
Feighan	Manasco	Williams
Fernandez	Mansfield	Wilson, Tex.
Fisher	Marcantonio	Winstead
Flannagan	Mills	Wood
Fogarty	Monroney	Worley
Folger	Morgan	

NAYS—192

Allen, Calif.	Davis, Wis.	Hoffman
Allen, Ill.	Dawson, Utah	Hope
Anderson, Calif.	Devitt	Jenison
Arends	Dirksen	Jenkins, Ohio
Arnold	Dolliver	Jensen
Auchincloss	Domengeaux	Johnson, Ill.
Bakewell	Dondero	Johnson, Ind.
Banta	Eaton	Jonkman
Bates, Mass.	Elliott	Judd
Bennett, Mich.	Elsaesser	Kean
Bennett, Mo.	Elston	Kearns
Bishop	Engel, Mich.	Keating
Blackney	Fellows	Keefe
Boggs, Del.	Fenton	Kersten, Wis.
Bolton	Fletcher	Kilburn
Bradley	Foote	Knutson
Bramblett	Fulton	Landis
Brehm	Gamble	Latham
Brophy	Gavin	LeCompte
Brown, Ohio	Gearhart	LeFevre
Buck	Gillette	Lewis, Ky.
Buffett	Gillie	Lewis, Ohio
Burke	Goff	Lichtenwalter
Busbey	Goodwin	Lodge
Byrnes, Wis.	Graham	McConnell
Canfield	Grant, Ind.	McCowen
Carson	Griffiths	McDonough
Case, N. J.	Gross	McDowell
Chadwick	Gwinn, N. Y.	McGarvey
Chiperfield	Gwynne, Iowa	McGregor
Church	Hale	McMahon
Clason	Hall, Edwin Arthur	McMillen, Ill.
Clevenger	Hall, Leonard W.	MacKinnon
Coffin	Halleck	Macy
Cole, Kans.	Hand	Maloney
Cole, Mo.	Harness, Ind.	Martin, Iowa
Cole, N. Y.	Harris	Mason
Corbett	Harvey	Mathews
Cotton	Herter	Merrow
Coudert	Heselton	Meyer
Crawford	Hess	Michener
Crow	Hinshaw	Miller, Md.
Cunningham	Hoeven	Miller, Nebr.
Curtis		Morton
Dague		Muhlenberg

Murray, Wis.	Rogers, Mass.	Stevenson
Nicholson	Ross	Sundstrom
Nixon	Sadlak	Taber
Norrell	St. George	Talle
O'Hara	Sanborn	Taylor
O'Konski	Sarbacher	Tibbott
Owens	Schwabe, Mo.	Towe
Patterson	Schwabe, Okla.	Twyman
Phillips, Calif.	Scott,	Vail
Ploeser	Hugh D., Jr.	Van Zandt
Potter	Scrivner	Vorys
Potts	Seely-Brown	Vursell
Ramey	Shafer	Wadsworth
Reed, Ill.	Short	Walter
Reed, N. Y.	Simpson, Ill.	Weichel
Reeves	Simpson, Pa.	Wigglesworth
Rich	Smith, Kans.	Wolcott
Riehlman	Smith, Maine	Wolverton
Rizley	Smith, Ohio	Woodruff
Robertson	Stefan	Youngblood

NOT VOTING—87

Andersen, H. Carl	Hedrick	Mitchell
	Heffernan	Multer
Andresen, August H.	Hendricks	Mundt
	Hobbs	Nodar
Andrews, N. Y.	Holmes	O'Toole
Barden	Jackson, Calif.	Pfeifer
Barrett	Jarman	Philbin
Battle	Jenkins, Pa.	Plumley
Beall	Johnson, Okla.	Poulson
Bell	Johnson, Tex.	Powell
Bender	Jones, N. C.	Rees
Boykin	Jones, Wash.	Rivers
Buchanan	Kearney	Rohrbough
Butler	Kee	Rooney
Case, S. Dak.	Keogh	Russell
Chelf	Kirwan	Scoblick
Clark	Kunkel	Scott, Hardie
Clippinger	Lane	Sheppard
Crosser	Larcade	Sikes
Dawson, Ill.	Lea	Smith, Wis.
Deane	Lemke	Snyder
D'Ewart	Love	Stigler
Dorn	Ludlow	Stratton
Ellis	Lusk	Thomas, N. J.
Engle, Calif	Lyle	Thompson
Fuller	McCulloch	Welch
Gallagher	Meade, Ky.	West
Hart	Meade, Md.	Whitaker
Hartley	Miller, Calif.	Wilson, Ind.
Hébert	Miller, Conn.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. H. Carl Andersen for, with Mr. Plumley against.

Mr. Deane for, with Mr. Gallagher against.

Mr. Boykin for, with Mr. Hartley against.

Mr. Chelf for, with Mr. Nodar against.

Mr. Miller of California for, with Mr. Scoblick against.

Mr. Johnson of Texas for, with Mr. Thomas of New Jersey against.

Mr. Dorn for, with Mr. Andrews of New York against.

Mr. Lane for, with Mr. Kunkel against.

Mr. Crosser for, with Mr. Miller of Connecticut against.

Mrs. Lusk for, with Mr. Hardie Scott against.

General pairs until further notice:

Mr. Jones of Washington with Mr. Engle of California.

Mr. Wilson of Indiana with Mr. Hébert.

Mr. Case of South Dakota with Mr. Kee.

Mr. Poulson with Mr. Sheppard.

Mr. August H. Andresen with Mr. Philbin.

Mr. Bender with Mr. Hobbs.

Mr. Butler with Mr. Sikes.

Mr. Beall with Mr. Lyle.

Mr. Kearney with Mr. Lea.

Mr. Love with Mr. Clark.

Mr. McCulloch with Mr. Hart.

Mr. Meade of Kentucky with Mr. Hedrick.

Mr. Mitchell with Mr. Thompson.

Mr. Mundt with Mr. West.

Mr. Rohrbough with Mr. Jones of North Carolina.

Mr. Rees with Mr. Battle.

Mr. Clippinger with Mr. Dawson of Illinois.

Mr. Barrett with Mr. Larcade.

Mr. D'Ewart with Mr. Kirwan.

Mr. Fuller with Mr. Keogh.

Mr. Welch with Mr. Pfeifer.

Mr. Smith of Wisconsin with Mr. Rooney.

Mr. Snyder with Mr. Heffernan.

Mr. Stratton with Mr. Powell.

Mr. Russell with Mr. O'Toole.

Mr. Ellis with Mr. Multer.

Mr. HAGEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. PLOESER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD.

Mr. RANKIN asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and include statistics.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include an article appearing in the West Memphis News.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD and include two articles on the subject of extending trade pacts and an editorial on the subject of cooperatives.

Mr. MORGAN asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the American Medical Association and one appearing in the Washington Post.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in two instances and include in one an editorial.

Mr. THOMPSON asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. McGREGOR asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LICHTENWALTER asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. McMAHON asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. BAKEWELL asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. REED of Illinois asked and was given permission to extend his remarks in the RECORD and include an address by T. Albert Potter.

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $213, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. COLE of New York asked and was given permission to extend his remarks in the RECORD and include a newspaper article and an editorial.

WATER-FILTRATION PLANT, HIGHLAND FALLS, N. Y.

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2359) to authorize the payment of a lump sum, in the amount of $100,000, to the village of Highland Falls, N. Y., as a contribution toward the cost of construction of a water-filtration plant, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BATES of Massachusetts, ARENDS, COLE of New York, BROOKS, and SASSCER.

PUBLIC WORKS ON RIVERS AND HARBORS

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following privileged resolution (H. Res. 589, Rept. No. 1918), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 6419, authorizing the construction, repairs, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AGREEMENTS BETWEEN CARRIERS

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 581 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the considera-

tion of the bill (H. R. 221) to amend the Interstate Commerce Act with respect to certain agreements between carriers. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself as much time as I may require.

Mr. Speaker, this resolution provides consideration for H. R. 221, a bill to amend the Interstate Commerce Act with respect to certain agreements between carriers.

I do not believe there is any necessity for me to go into a detailed explanation of the bill. It is practically the same bill as H. R. 2536, which we considered here December 10, 1945. At that time we debated the bill for 2 hours. And after all of the aspects and ramifications of the bill were understood, we passed it by a vote of 277 to 45. The bill was reported in the Senate, but died on the Senate Calendar without having been considered. Now the House must go through the mechanics of passing the bill again.

But allow me to review briefly the situation which makes this legislation necessary. At present, common carriers—especially the railroads—are caught in a strangle hold between two Federal statutes. The first requires them to do certain acts while the antitrust division contends it is unlawful for them to do the very acts required of them by the first.

Under the Interstate Commerce Act, carriers are required to join with one another in establishing through routes and joint rates. They are required to make agreements with respect to interchange of cars and equipment between carriers and on a number of other subjects. Now, despite the fact that railroads are required by the Interstate Commerce Act to enter into these agreements with one another, the Department of Justice has sought, and is seeking, to prosecute them under the antitrust laws for the very acts required of them by law.

For more than 50 years, as a matter of convenience, rates have been worked out between the railroads and the shippers by a system that is sometimes referred to as a conference system, or as a system by agreement. Under this system, the members of the railroad association meet and discuss rate problems and try as best they can to arrive at an agreement. If they arrive at an agreement of what the new rate will be on a particular commodity, they then send out notices to interested shippers. The shippers are then given an opportunity to be heard and to protest if they wish. But nine times out of ten the shippers and the railroads agree on a certain rate. The rate is then filed with the Interstate Commerce Commission and becomes effective if no protest is made within 30 days.

Everybody thought these agreements were perfectly legal, proper, and in the public interest until somebody in the Department of Justice came up with the suggestion that such agreements are in violation of the antitrust law, and since then the Government has instituted several suits against the railroads, and they threaten more suits unless something is done to prevent them. This bill is designed to do just that—to prevent the Department of Justice from interfering with a trade practice which has been recognized for more than 50 years and which was recognized as being in the public interest.

This bill exempts a certain class of agreements between the railroads from the antitrust laws, while at the same time protecting the public from price-fixing practices which would be detrimental to the public welfare. This safeguard is provided by requiring approval of the Interstate Commerce Commission of these agreements between railroads and by specifically prohibiting certain agreements.

Under the rule, 2 hours has been allowed to debate this bill. The Rules Committee thought that a sufficient amount of time in view of the fact that we have all had the benefit of 2 hours of debate on the same bill less than 18 months ago. Other than providing consideration, the rule does not give any special protection for the bill. Amendments may be offered to it under the 5-minute rule and points of order may be raised against the bill, although I doubt that the bill is vulnerable in that respect.

I think that the previous vote on a bill which was practically identical to this one shows that an overwhelming majority of you will favor this bill, and I doubt that it will require any special urging on my part to secure adoption of this resolution or passage of the bill.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, as the chairman of the Rules Committee the gentleman from Illinois [Mr. ALLEN] has stated, it is true that we passed a similar bill in 1945, but it is claimed that this is a better bill than that one. If this is a better bill, perhaps if we wait another couple of years, the committee will report a still better bill, and one which is more just to the shippers and consumers. The underlying reason for bringing out this bill is of course to preclude the State of Georgia and the United States from proceeding with its action against the railroads which are charged with being guilty of violating the antitrust law. I do not see why we should deprive the courts of the right to pass upon that important question. Whether these railroads are guilty or not, I am of the opinion that neither the Department of Justice nor the State of Georgia would have proceeded against them unless they had sufficient evidence to justify the action. The bill before us is in the interest of the railroads that desire to agree between themselves as to rates. The bill favors the steel, oil, and other big shippers, and will operate against the smaller shippers and naturally against the consumers. I know that the gentlemen who have prepared the views of the minority, which I consider a very splendid and honest résumé of conditions will explain later on the unjustifiable desire and insistence upon passing this legislation before the courts can act on it.

So I shall not dwell any further upon the provisions of the bill, because the gentleman who signed the minority report, the gentleman from Minnesota [Mr. O'HARA], has devoted much time and study to the bill and can explain it more satisfactorily and in much clearer terms than I possibly can.

But I do say this: You gentlemen claim you want free enterprise. Free enterprise—I hear that every day. This actually kills free enterprise. I do not see how you will be able to justify yourselves in voting for the bill. Of course, the railroads want it. So I know that it will be passed, because, unfortunately, they have a way of misleading Congress and legislative bodies in such smooth and convincing ways that many of you gentlemen feel sorry—and sometimes almost cry—for these unfortunate railroads that have suffered so much. Of course, they did suffer during the years 1930 up to 1934, under Hoover. Many of them went into bankruptcy. But since that time, since the Democratic Party came into power, those railroads have accumulated tremendous profits and surpluses, as my colleague the gentleman from Illinois [Mr. REED], a member of the Judiciary Committee, has stated on the floor so many times. So, really, if his investigation as to the great increase in incomes on the part of the railroads is true—and I have utmost confidence in him, because I know he is an honorable and honest man and has given the House the facts, when he has tried to impress the House with the real facts relative to the railroads—I do not see how you can vote for this bill. Nevertheless, I feel that a vast majority of the Members have again been led astray by the strong and powerful railroad lobbyists and the capable gentlemen representing them here, and they have again impressed the membership with the great need of this legislation that has tied their hands, as it is claimed, in that they were expected to comply with the law of the land and not violate any special secret agreements made against the shippers. After all, it is the consumer who has to pay the bill.

I am not going to detain the House. The rule will be passed, I know, and I strongly suspect, Mr. Speaker, that even this bill will be passed, notwithstanding the fact that the Senate has acted already and has eliminated a provision whereby the action pending against these railroads should be allowed to proceed to a conclusion. In this bill that is brought before us, however, that provision is eliminated. I cannot understand why people should rely on the other House to safeguard and protect their interests.

Up to a few years ago, Mr. Speaker, the country looked to Congress. Now it looks to the Senate to save the people from the arbitrary action of this body. But it seems to me, much as I dislike to say it, that conditions are changing; in

fact, I know they are changing. Consumers will get no protection here. However, I believe that after the next election there will be people elected who will represent the real democracy and the rights and interests of the masses of the people in the country. In conclusion, let me call attention to the following paragraphs which appear in the minority report and more thoroughly explain why this legislation would be against the best interest of the small shipper and the consumer who, after all, as I stated before, will be obliged to foot the bill:

It is denied, that the reason for pressing these suits is the pending suits against the railroads. The proponents of the bill claim that the legislation is needed merely to "clarify" existing law to allow carriers to get together in order to comply with the Interstate Commerce Act, particularly as to the making of joint rates and through routes. The minority maintains that the legislation is not needed for that purpose because the carriers now have authority to collaborate in making such rates.

Some have attempted to interpret opposition to passage of this legislation as an indication of lack of confidenee in the Interstate Commerce Commission. Whether the Commission is competent or whether it would faithfully discharge its duty imposed by this legislation, is not germane. Under the terms of the bill once the basic agreement of the Association of American Railroads and its satellite organizations are approved by the Commission, the subsequent acts performed under the agreements do not have to be approved by the Interstate Commerce Commission but are exempt from the antitrust laws because the acts are carried on pursuant to the basic agreement. It goes without saying that the basic agreements offered for approval will not be likely to indicate practices that would preclude their approval under the vague standards set up by the bill, such as indicated in paragraph (2), typical of which is the requirement that the Commission shall approve the agreement if it finds it is in "furtherance of the national transportation policy declared in this act."

The most vicious feature of paragraph (4) is that it provides for approval of agreements between carriers of different classes, thereby extending the monopoly power to the whole industry collectively. Under these provisions the railroads, motor carriers, water carriers, and so on, could take part in one organization and control the rates and services for each class of transportation so as to determine the freight charges paid by shippers and the service they are to receive. The terms of the paragraph providing for approval of agreements as to joint rates or through routes do not limit the arrangements to connecting carriers actually handling the traffic and thereby participating in the joint rate. An agreement could be approved under which a composite organization of carriers of all classes could determine the joint rates of any connecting carriers. As the greater part of the traffic of the Nation moves on joint rates, such an organization would be one of the most powerful forces for monopoly in the entire economic system.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. This is not on the question of agriculture. Agriculture will be obliged to pay. However, I yield, Mr. Speaker.

Mr. GROSS. The gentleman mentions "real democracy." Is the gentleman visualizing Henry Wallace in power?

Mr. SABATH. I visualize that the Democratic Party will in its own right and in its own name bring about the election of progressive Democrats, without the aid of Henry Wallace but with the aid of all honest, sincere, progressive and independent Republicans throughout the Nation.

Mr. GROSS. I thank the gentleman. That clarifies it.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Speaker, on Monday, May 3, the Supreme Court handed down a decision that shocked and surprised, in my opinion, a great majority of the people of this Nation. Yesterday, May 10, the Court reiterated this decision and said it was the law.

For many years private citizens on a voluntary basis have entered into covenants and agreements which in effect permitted them to choose their neighbors and associates.

For the last 65 years the courts have said that such voluntary agreements were permissible and enforcible by the State courts. Several times during these years the Supreme Court has said that a State or political subdivision thereof shall not enforce such action, by interpreting the law that it was the right of the private individual and enforcible.

Now in these recent decisions the Supreme Court has said that even private individuals who enter into such covenants cannot as a matter of public policy enforce them. Such a decision is wholly inconsistent, I think, with the practical realities. It is saying to the people of this country that they have a freedom to which they are entitled, but because it may conflict with someone else's civil rights, this freedom cannot be enforced.

We might ask, Mr. Speaker, about the civil rights of those who have entered into these agreements for many years and have proceeded on the basis that such agreements were legal and enforcible. To me this raises a most important question in the life of our Government.

The success of any government, and more especially our democratic form of government, must be based on law and order. Historically many governments were established that were inevitably destined to fall because they did not have as the principles of their government the principle of law and order.

Throughout the history of our Nation I am thankful that this principle has prevailed. It is recognized by our people as the bulwark of our Government. We can continue as a great, free, and strong Nation, the champion of liberty, only in so long as this principle is maintained. Our courts, an intrinsical part of our Government, are designed as the guiding light for this principle.

The integrity of our courts must be maintained. I may not agree with some decisions of the court but we must recognize that the final decision becomes the law.

Of equal importance, Mr. Speaker, is the fact that our Government was established on the principle of majority rule. If the court in its interpretation makes a decision that does not conform to the will of the majority, it becomes the duty of the Congress to change the law as it is the duty of the courts to interpret it.

If the decision of the Court, Mr. Speaker, makes it necessary to amend the Constitution of the United States pursuant to the will of the people, the Constitution should be so amended, as was appropriately provided for.

Since the Supreme Court held that the covenants and agreements were not enforcible as contrary to the Constitution, and since in my opinion the majority of the people are not in accord with such decision, I believe it is time to amend the Constitution.

Consequently, Mr. Speaker, I am today proposing an amendment to the Constitution to provide "that the right of any number of citizens to voluntarily segregate themselves from others for any lawful purpose shall not be denied."

The purpose of such an amendment then becomes obvious. Since there seems to have been such fine distinction in interpreting the Constitution and since there is so much discussion in the press, on the radio, and throughout the Nation on this civil-rights issue, I maintain that it needs definite clarification.

Furthermore, in my opinion, this decision goes much deeper than just nullifying these covenants. It goes to the heart of the whole civil-rights issue. It is another step toward forcing by law fundamental principles on the American people. That was never intended in a free country.

I think it is rather significant also that this decision comes at a most propitious time. It, I believe unfortunately, merely lends credence to the President's civil-rights program.

It is another political year, Mr. Speaker. Just as it has happened in other election years, a great demand is made for the enactment of so-called civil-rights legislation. Could it be, then, for political reasons? The answer is perfectly clear. It becomes a political issue. The timing is too conclusive.

I seriously contend, then, Mr. Speaker, that the President's civil-rights message was a tragic mistake. It is most unfortunate that for political reasons such an attack would be made on the rights and privileges of free people, and with special emphasis toward the South.

The right of people, regardless of race, religion, or group to live together, to associate with one another, and to work together in a lawful manner on a voluntary basis to the exclusion of others is inherent in the life of our country.

It has long been recognized to be the right of a person to choose his associates, and that he or she shall not be forced to associate with those whom he or she does not prefer.

On the other hand, if people of different classes or groups prefer to associate themselves together for lawful purposes it is an inherent right that they should have. I am not adverse to raising political issues in election years or at other appropriate times. To propose, however, in election years issues that would be administratively impossible and that strike at the social structure of this country is like offering "a mess of pottage for a birthright."

The civil-rights proposal stirs the prejudices of our people like no other issue in this generation. Certainly the

rights of the minority must be protected, but it is not necessary to destroy our social and political life and the rights of the majority of our people to safeguard the minority. The minority is affected in this philosophy of life as much as is the majority.

When the President requested this Congress to provide legislation whereby the Federal Government would regulate the qualifications of voters, prohibit segregation in all public places and conveyances, to establish an FEPC and to create a Federal state police under the name of antilynching and antidiscrimination, he acted contrary, in my opinion, to the will and wishes of not only the people of the South, but the majority of the people in the United States.

I do not believe in lynching or any other form of lawlessness. No one condemns such foul crime more than I. But because there was one lynching during the year of 1947 and none so far this year, that is no justification for insulting the South and setting up a Federal police force against all free traditions.

I am not a champion of the poll tax as a requirement for voting, but I am unalterably opposed to the Congress encroaching on this constitutional right of the States.

The question of an FEPC is likewise an encroachment upon the rights of the States. There is a serious constitutional question that should be clarified and would be with this proposed amendment. FEPC is contrary to our system of free enterprise. Any Federal agency with an iron hand over the enterprise of this Nation can result only in arbitrary and capricious action and lead us to state socialism.

It is a well-known fact that consistent demands for antisegregation are nothing more than an attempt to legislate on social as well as economic problems. It is trying to bring about social equality by legislative action.

To me it is axiomatic that no law regardless of its intention can work unless it is supported by a majority of the people. Then we may well ask what is the best and most appropriate course of action.

It is not enough for the leadership and others in our Democratic Party or for the northern intelligentsia to continue to insult the South over the Negro problem. We might as well be perfectly honest and frank about this fundamental issue.

For political expediency they would forcibly impose a philosophy that is not desired by either groups. There has been a consistent improvement of our social, political, and economic relationship. Not only with the Negroes but with many white people, they are far better off today than they were 75 or 80 years ago. No Federal laws have brought about these improvements. They have been realized by the actions of our best and finest southern white people in cooperation with those affected.

There can be no question but what this progress will continue and much more expeditiously to a satisfactory solution if the people are permitted to work it out in their own way instead of saddling on them a lot of Federal laws that cannot possibly work.

We need something stronger than law on these issues. We have something stronger than law. It is a mutual understanding of the moral, economic, and social problems and responsibilities of those of us who are primarily affected.

Subsequent to the President's request for this legislation and the demands from many quarters for compliance, some 80 Members of the House met and organized an unofficial committee in the Congress for the purpose of formulating and effectuating a program to assist in the prevention of the enactment of such unwise and ill-advised legislation.

As one of the officers of that committee and active in the fight against such an iniquitous program, I have been somewhat encouraged that, though the Republican majority of the Congress and the leader of our Democratic Party have endeavored to force these issues on the American people, they would not prevail. It is a mighty undertaking in the face of such great odds, but we are determined in our objective.

There has been much said about the so-called civil-rights program being made a part of the platform of our Democratic Party. I do not read any such language in the platform of our party that was adopted at the convention in 1944. If, however, that platform can be so interpreted by any remote stretch of the imagination, then I say it is time, Mr. Speaker, that my party amend its platform.

Our committee has warned the party against any attempt of including by specific language or interpretation such a program into the platform of our party at the national convention in July.

I am a Democrat, and have during my life been loyal to my party. I expect to remain a true Democrat, holding to the principles of our party founders, Thomas Jefferson and Andrew Jackson.

The people of the South generally are true Democrats and have nurtured and sustained the Democratic Party through the most trying experiences. As has been so well said, we will not accept a program that we think would destroy the principles of our party for the sake of political expediency.

It would be far better, Mr. Speaker, that our party go down in ignominious defeat than to surrender the high principles of States' rights, of freemen, freedom of private enterprise and individual initiative, which have not only made the party a great party, but our Nation a great Nation.

I do not believe in party revolt, but party reform, and since our leader does not apparently believe in the principles of the majority in our party, it is high time for us to get another leader.

We must be vigilant in this fight. We must continue our efforts to prevent our being driven from our own party or keeping it from adopting any policy or principle that disregards the interest and welfare of the Nation.

There are grave responsibilities resting with those who seek freedom, opportunities and privileges in a government like ours. How well we perform our responsibility, how we assume our obligation, is as important as the privileges of enjoying these inherent rights.

Our success in these endeavors will determine our future destiny and only by adjusting our laws and our codes to meet existing circumstances in accordance with the will of the majority of the people, having the utmost faith in the action of the American people, will we continue to be the champion of individual initiative, liberty, and freedom throughout the world.

Mr. SABATH. Mr, Speaker, I yield such time as he may desire to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, as sometimes happens, I am forced to differ with my esteemed and loyal former chairman of the Rules Committee. I do not agree with him that this is such a terrible bill. This House passed almost the identical bill in the last session of Congress, as has been said by a vote of 277 to 45. We just never made as big a mistake as that in this House. I think we might just look at this thing for a minute and see what is in it. My good friend who has preceded me would indicate that this was a terrible departure from all good forms and customs and that we were turning the whole situation over to the railroad companies and the big shippers and steel corporations which apparently from anything I have been able to read about it do not have anything to do with the bill, or the bill anything to do with them.

All this bill does, if I understand it correctly, and I think I do, as we have had it up here before, the railroads are under the control and regulation of the Interstate Commerce Commission and this Congress set up the Interstate Commerce Commission for that purpose, to regulate and control; and they have been regulating and controlling the railroads. In order to do so and to do it in an expeditious manner and a competent manner, it has been necessary to get these railroads together in the fixing of rates and have the rates proposed to the Interstate Commerce Commission instead of the Interstate Commerce Commission having to work them out themselves. That has been the custom all these years, done under the approbation and at the request of the Interstate Commerce Commission which is the agency which this Congress set up to regulate the railroads. Now comes the Department of Justice and undertakes to prosecute the railroad companies for things that the Interstate Commerce Commission that we set up to regulate them, has said they could do.

Where does that leave us? Are we going to leave ourselves and the Interstate Commerce Commission and the railroads in that position? All this does is to confirm the previous policy, namely that the railroad companies may suggest and propose rates to the Interstate Commerce Commission. They may propose the method of arriving at those rates, but they cannot do anything at all except that which is approved by the Interstate Commerce Commission, the agency that you have heretofore set up to regulate the railroads.

Mr. Speaker, I do not see any sense in fighting this bill. We did not fight it

before. I am afraid that we sometimes overlook the great problems involved in the national situation and in the national transportation in this country, which is so vital to every man, woman, and child in it.

Before the war we were figuring around how we were going to keep the railroads out of bankruptcy long enough to even run them. There was a time, you know, when it was politically expedient to get up and abuse the railroads and we abused them to the point that they were destroyed. We destroyed their solvency.

Do not forget that the railroads are the greatest employers of labor in this Nation. They employ more of our citizens, I believe, than any other industry in the country. I am surprised that my good friend from Chicago, who has been a great champion of the rights, privileges, and everything else of labor, should stand up here and oppose this bill which is going to help keep alive the goose that is laying the golden egg for the employees of the railroads, because the employees, after all is said and done here, are about the only people who get anything out of the railroads nowadays. They are getting something out of the railroads because the war came along, the railroads got a little more prosperous, they made a little more money for a few years; but last year when the war was over they dropped back and commenced to lose money. Now, a railroad or any other kind of a commercial corporation cannot keep on losing money. They are bound to get to the point of breaking. You cannot run the railroads like you have been running the United States Government. We have been running the United States Government at a deficit for seventeen long years. I see my friends on the Republican side smiling, but I may say that started back in the Republican administration of Hoover. We have been able to do that with this Government for a long time. I do not know how much longer you are going to be able to do it. But you cannot do that with a commercial corporation. Sooner or later it is going to bankrupt the corporation; it will bankrupt the railroads, and my good friends are going to lose their jobs.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Illinois.

Mr. SABATH. I called attention to the fact that this is discriminatory legislation in that it relieves the railroads of all antitrust laws. That is what I objected to.

Mr. SMITH of Virginia. The gentleman has not read this bill as carefully as he should have. It does not relieve them of anything except by approval of the Interstate Commerce Commission. The Interstate Commerce Commission is the agency that we set up to regulate the railroads, not the Department of Justice.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

AGREEMENTS BETWEEN CARRIERS

Mr. WOLVERTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 221) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 221, with Mr. MACKINNON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLVERTON. Mr. Chairman, I request that the sponsor of this legislation, the gentleman from North Carolina [Mr. BULWINKLE] proceed first.

Mr. BULWINKLE. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, in discussing the pending bill, H. R. 221, I deem it advisable to make a brief statement in regard to the legislative history of not only this bill, but the others that have been introduced, and to state the necessity for legislation of this type.

Prior to the year 1887 there was no regulatory control of transportation. In that year Congress passed an act entitled "An Act to Regulate Commerce." It is true that this act was in the nature of an experiment and its objectives were, which failed of accomplishment, to correct many of the abuses which existed in transportation at that time.

I have not the time to speak now of the years that followed, but I wish to remind you—and I ask you to keep it in mind—that the Interstate Commerce Commission, the regulatory body for motor, rail, freight forwarders, and water carriers is the arm of the Congress. Congress, about 1920, passed what is known as the Interstate Commerce Act extending and broadening the powers of the regulatory body, the Interstate Commerce Commission. During many years, 45 or more, everyone has recognized, due to the number of carriers in the United States the necessity for collective agreements between carriers in the public interest.

After the Transportation Act was passed, and in 1941, some attorneys in the Department of Justice made charges that the conference procedure and agreements were in violation of the antitrust laws. These charges resulted in a conflict of jurisdiction between the Interstate Commerce Commission and the Department of Justice.

My recollection is that early in the Seventy-eighth Congress, I introduced a bill, H. R. 3720, which would clear up this matter of jurisdiction. This bill was not acted upon. Upon reconvening in the Seventy-ninth Congress, I introduced a similar bill. These bills applied solely to rates and rate conferences. Then, later on in the Seventy-ninth Congress, I introduced another bill which was known as H. R. 2536 which was broader in its scope than the others and recognized, under certain conditions and regulations, the validity of the agreements.

This bill was reintroduced in the Eightieth Congress, and is now the pending bill, H. R. 221. About the same time, Senator REED, of Kansas, introduced a bill in the Senate, S. 110, which was the companion to the House bill.

The reason for the introduction of the original bill was that in a conversation with Mr. Joseph B. Eastman, Chairman of the Interstate Commerce Commission, and later Director of the Office of Transportation, he stated to me that something had to be done to clear up the conflict between the Department of Justice and the Interstate Commerce Commission, and that the Transportation Act of 1940 should be amended to permit the collective agreements between the carriers, and this was prior to either suit. Shortly after this, I introduced the first bill in the Seventy-eighth Congress. Mr. Eastman appeared before the Interstate Commerce Committee of the Senate and stated:

> I am wholly convinced that if the carriers of the country are to respond to the duties and obligations imposed upon them by the Interstate Commerce Act, and if the rate structure is to be reasonable, free from unjust discrimination or undue preference and prejudice, as simple and consistent as may be, reasonably stable, and sufficient for the financial needs of private ownership and operation, the carriers must be in a position to consult, confer, and deal collectively with many phases of the matter, and that while the ultimate right of individual action should be scrupulously preserved, it is desirable that such action should not be taken without prior notice to fellow carriers and shippers and an opportunity for them to express their views.

The annual report of the Interstate Commerce Commission has recognized the necessity for legisation of this type.

The broad purpose of H. R. 221 is to define the limits within which carriers may lawfully collaborate and to provide means for determining, in specific cases, whether or not proposed collaboration is within those limits and also to furnish continuing supervision to see to it that approved collaborative activity between carriers is held within the limitations provided by Congress.

The language of H. R. 221, as it was originally introduced is sufficient to cover all activities of common carriers where consultation and cooperative action is clearly desirable and in the public interest.

The coverage of the bill included authority, after complete approval and under continuous supervision of the ICC to organize bureaus and committees and to establish and follow procedures to bring about agreement in connection with the initiation of, or changes in, rates and charges, time schedules, operating practices, rules for the interchange of equipment, car supply, the settlement of claims and other similar matters.

The bill, H. R. 2536, was similar to the pending bill. Hearings were held upon it, full and free discussion was had in the House, and on the 10th day of December 1945, it passed the House by an overwhelming vote of 277 to 45. In 1946, after more than a month's hearings, the Senate Committee on Interstate Commerce favorably reported the bill, but for

some reason or another—especially the lateness of the time and a legislative jam, no action was taken by the Senate at that time.

At the beginning of the Eightieth Congress, Senator REED, of Kansas, as I have stated, introduced S. 110 in the Senate. Hearings were held at length on this bill, and it passed the Senate by a vote of 60 to 27. Amendments were adopted in the Senate. On July 25, 1947, the Committee on Interstate and Foreign Commerce of the House reported H. R. 221 by an overwhelming majority vote. This bill, therefore, has passed the House once. It has been reported by your committee of the House twice. It has been reported in the Senate once, if not twice, and passed the Senate with some amendments.

Briefly, I want to give you the information as to who appeared before the House and Senate committees favoring these bills—as well as those who appeared in opposition to them. In other words, those who supported the bill and those who opposed it: The motor carriers, the rail carriers, the Interstate Commerce Commission, the water carriers, public-service utilities or railroad commissions of 47 of the 48 States.

Mr. J. Van Norman, who for years has been the attorney for the southern governors, individual shippers, shipper organizations, such as the National Industrial Traffic League, and others appeared before one or the other committees. Chambers of commerce of the various cities, and the National Chamber of Commerce. If I am not mistaken, over 1,000 individuals and organizations gave their notice of support to either one or both of the committees. If I were to print the full list in the RECORD, it would take five or six pages of the RECORD alone.

Having given you those who favor it before the committee, it is well for me to state who opposed it. Some former attorneys of the Department of Justice, the former Governor of Georgia, Mr. Arnold, Mr. Henry A. Wallace, while he was Secretary of Commerce spoke against it before the Senate committee. Among the railroads, I have noticed that Mr. R. J. Bowman, president of the Chesapeake & Ohio Railroad has opposed the bill with qualifications.

It is my own opinion, and that of the great majority of those engaged in or directly affected by transportation, that the scope of the pending bill, covering both rates and matters of service, is not too broad and that it is necessary and desirable for Congress to act on the entire subject in order to keep transportation law in step with the progress which has been made in our system of transportation and in the constructive development of transportation technique.

However, throughout the long period of consideration by Congress and during the many hearings on the bill the greatest interest and public concern have been expressed with reference to the matter of rates and rate practices among the carriers. I believe that to be only natural because the shippers and the general public come in more frequent contact with the carriers in the consideration of rate matters and are consequently more familiar with the problems encountered in that field.

Along this line, I mention that on January 14, 1948, Mr. Bowman, of the Chesapeake & Ohio Railroad, in a speech, stated:

> We realize that the making of agreements among railroads regarding rates is not only desirable but also necessary.

He further stated:

> We recognize the need for clarification of the present state of the law so as to remove doubts concerning the sphere within which railroads, acting through rate bureaus, may confer, collaborate, and reach agreements about rate matters. We are not opposed to legislation that will provide such clarification to the extent that the Bulwinkle bill, H. R. 221, or the Senate bill, S. 110, provides such clarification. I think it is fair to say that there is no point of difference between the position of the board (Atlantic State Shippers Board) and the position of the Chesapeake & Ohio.

While time schedules and operating practices are no less important, changes with reference to them are less frequent and less controversial.

It is not proper for me to speculate and I do not attempt to predict the ultimate prospect for this bill becoming law when it is once adopted by Congress. However, from conferences with my colleagues I am convinced that the overwhelming majority of both Houses is strongly in favor of a bill of this character covering rates and rate practices. No Member of Congress who favors legislation covering both rates and services would oppose a measure covering in the same way rates alone. On the other hand, there may be some who would favor a measure covering the matter of rates while they may not now be ready to support one covering service matters also.

In order to hasten final action on this legislation, which covers an extremely important phase of the transportation problem, and to place it in its strongest position, I requested the legislative counsel of the House of Representatives to prepare an amendment limiting H. R. 221 to deal only with rates and rate matters and excluding from the coverage of the bill agreements dealing with matters of operation and service. This amendment was adopted last week as a committee amendment by the House Committee on Interstate and Foreign Commerce and will be offered on the floor at the appropriate place in the bill by the chairman of our committee, the gentleman from New Jersey [Mr. WOLVERTON].

While in my opinion ultimately the Congress will pass, in furtherance of our national transportation policy, a bill covering all agreements, yet the amendment that will be offered by the chairman reads as follows:

> Relating to rates, fares, classifications, divisions, allowances, or charges (including charges between carriers and compensation paid or received for the use of facilities and equipment), or rules and regulations pertaining thereto, or procedures for the joint consideration, initiation, or establishment thereof.

The adoption of this amendment would eliminate from the coverage of the bill agreements dealing with time schedules, routes, the interchange of equipment, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service.

When this bill is narrowed down to permit agreements pertaining to rates and charges and to procedures for considering and initiating rates and changes, and related matters, it should be clearly understood that the bill would not authorize the establishment of rates in any way different from that now required by the Interstate Commerce Act. The carriers would not be permitted to by-pass the Commission in establishing their rates. The authority and power of the Commission would not be limited in any way. The carriers could continue to discuss and argue about proposed rate changes just as they have for the past 50 years. They would still have to file their rate proposals with the Interstate Commerce Commission. And it would still have the full and final power to determine whether or not those proposals can be placed in effect.

The dramatic events of the past few days has again forcefully brought to our minds the importance, the vital necessity, of transportation in our domestic economy. We must not forget that transportation is very important to our national defense. We have recently authorized the expenditure of billions of dollars to rebuild and strengthen our armed forces. Congress is virtually unanimous in its desire to make the Nation strong enough to meet any contingency. The adoption of this bill is just as important to our national defense as it is to our domestic economy.

It is argued that Congress should not act on this bill because there are cases pending in court in which the carriers are charged with conspiracy to restrain trade under the antitrust laws. The fact that those suits are pending is one of the important reasons why we should act now. Certainly any conference or agreement which is in furtherance of the national transportation policy should not be considered an unlawful conspiracy in restraint of trade. This bill would authorize only such action as is in furtherance of the national transportation policy. Surely we do not intend, under the antitrust laws, to prohibit joint action which is constructive and helpful, which actually promotes the public welfare and our national objectives in transportation. Surely the restraints and prohibitions of the antitrust laws should not be applied to a highly regulated industry in the same way they are to be applied to one which is not. The adoption of this bill would make it clear that constructive, helpful action in transportation is not unlawful.

The Congress in 1916 recognized the need of legislation of this type for the oceangoing water carriers and passed an act which has been in effect since that time. No one has thought of seeking repeal of the provision for agreements between this type of carriers.

In 1938 in the Civil Aeronautics Act of that year, the Congress again saw the absolute necessity for placing full power of regulation in the Civil Aeronautics

Board, and no one in Congress knows of anyone who has ever thought of repealing that provision of the law.

The bill, as originally drawn, places motor carriers, water carriers, freight forwarders, and rail carriers under the same provisions which have been given under the Maritime Act of 1916, and which was given to common carriers by air in the Civil Aeronautics Act of 1938.

Every man here recognizes the absolute importance of transportation from a national standpoint, whether it be on land, sea, or in the air. When this bill is passed and becomes law, I know that you—the Members of this Congress—will have played a great part in promoting the public welfare, and that you are acting in response to the will of the overwhelming majority of the public when you vote for this measure. You may say, and truthfully say, that in the long period of time which transportation laws have been enacted by Congress that never before has there been such an overwhelming public and official support of any transportation measure in the Congress.

Mr. WOLVERTON. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from New Jersey is recognized for 10 minutes.

Mr. WOLVERTON. Mr. Chairman, in the limited time allotted for general debate on this measure, it is not possible for me to make as full a statement concerning the bill as I would like. However, suffice it to say that the bill was reported favorably by the Committee on Interstate and Foreign Commerce with only one dissenting vote. Furthermore, it should be noted that a similar bill, likewise introduced by the gentleman from North Carolina [Mr. BULWINKLE] in the Seventy-ninth Congress, was favorably reported by the Committee on Interstate and Foreign Commerce, and passed this House by a vote of 277 to 45, a majority of 6 to 1. This bill was not reached in the Senate before adjournment.

The House Committee on Interstate and Foreign Commerce has held extensive hearings on this bill. The hearings showed that there was practically unanimous support for its enactment. In fact, in all my experience in this House, and, with upwards of 18 years of service on the Committee on Interstate and Foreign Commerce, I have never known any piece of transportation legislation that has had such unanimous approval as has this bill.

The bill has the virtually unanimous support of all those directly interested in transportation, including commissions, both Federal and State, charged with the responsibility of regulating transportation, carriers of all kinds, and shippers throughout the country, including industrial, agricultural, and livestock interests. Col. J. Monroe Johnson, Director of the Office of Defense Transportation, said in his testimony before this committee on June 27, 1947, page 219 of the hearings:

> The unanimity of those interested in and with knowledge of transportation in favor of this legislation is perhaps unprecedented.

Among many hundreds of private organizations and governmental departments and agencies that, through representations at the hearings before the House and Senate Committees in the Seventy-ninth and Eightieth Congresses, by formal resolution or otherwise, placed themselves on record as favoring legislation of the character recommended by your committee are the following: The Office of Defense Transportation, the Interstate Commerce Commission, the National Association of Railroad and Utilities Commissioners, numerous State regulatory bodies, State legislatures, and departments of agriculture of many States, the Brotherhood of Locomotive Engineers, numerous shippers' traffic and transportation organizations, including the National Industrial Traffic League and the National Association of Shippers' Advisory Boards, numerous associations of farmers and livestock growers, including the American Farm Bureau Federation, the National Grange, the American National Live Stock Association, the National Council of Farmer Cooperatives, and the United Fresh Fruit and Vegetable Association; and chambers of commerce and other business organizations of various cities, States, and regions.

I cannot think of anyone who has had any appreciable amount of transportation experience, either as a user, transportation worker, manager, owner, or Government regulator, who has raised his voice against this bill.

This bill recognizes the necessity and advisability of continuing the established system of rate-making that has been followed in this country for upwards of 60 years, without objection by any Federal or State regulatory agency. In fact, these so-called conferences, wherein representatives of railroads, large and small, other transportation agencies, shippers and representatives of the public sit down and discuss together questions of rates, services, and so forth, has become so fixed and has resulted so satisfactorily that they may well be considered as having become a part of our transportation system. It has only been recently that any question was ever raised to challenge their legality on the ground they violate the antitrust laws.

Due to the necessity of devising practical means of dealing with matters requiring joint action by two or more railroads, there have grown up among the railroads during a long period of time, and are now in operation, a large number of joint organizations bearing various designations such as bureaus, associations, committees, and conferences, the purpose of which is to facilitate joint action by the participating carriers with respect to the many matters in connection with which such action is necessary. The nature of these organizations, and the need for their continued existence and operation, under proper control, if the transportation needs of the country are to be adequately met, are fully stated and discussed later in this report.

Such joint organizations are not limited to the railroads. The motor carriers, as they developed and came under regulation similar to that imposed upon the railroads, found it necessary to set up similar organizations and were encouraged by the Interstate Commerce Commission in so doing. The water carriers have also found it necessary to set up similar organizations.

As stated by Commissioner Aitchison, testifying for the Commission in support of the bill, H. R. 2536, in the Seventy-ninth Congress:

> Business has conformed to necessity and realities, and carriers of all types have formed associations and bureaus, and have dealt collectively with each other and with the public openly and seemingly under the assumption that as long as their collective action furthered the purposes of the Interstate Commerce Act, was not coercive, preserved the right of independent action, and did not unreasonably restrain commerce, they violated no law.

These organizations have not only been operated openly, with the full knowledge of the Interstate Commerce Commission, the various State regulatory bodies, the shippers, and all others having knowledge of transportation matters, but in many instances, particularly in the case of the rate associations, they have been maintained with the approval and cooperation of the shippers and have been encouraged by the Commission and various other agencies and departments of the Government as both necessary and desirable. In fact, various departments and agencies of the Government have frequently utilized them to advantage.

In recent years, however, certain officials of the Department of Justice, in speeches delivered in various parts of the country and in other ways, began to question the legality under the antitrust laws of the cooperative activities carried on by the carriers through various joint organizations, and more particularly through their rate associations.

These developments have caused grave concern among all those having direct interest in transportation, who see in the situation a threat to long-standing practices in the transportation industry that were developed in cooperation with the shippers and have proved their worth. This concern is evidenced by the views expressed by the shipping and business interests of the country, and by governmental authorities, during the hearings this year and in the Seventy-ninth Congress.

It is recognized by all who are familiar with the problems of transportation that the carriers subject to the Interstate Commerce Act cannot satisfactorily meet their duties and responsibilities thereunder, and the basic purposes of that act cannot be effectively carried out, unless such carriers are permitted to engage in joint activities to a substantial extent. The public interest will not be served if there is permitted to continue the existing state of uncertainty as to the extent to which carriers may engage in joint activity without risk of violating the antitrust laws.

The situation is one which clearly calls for prompt action by Congress. The problem involved is one of reconciling and harmonizing two great principles of public policy which have been declared by Congress. One of these principles is embodied in the antitrust laws. These laws, which are enforced by the Department of Justice, apply broadly for the purpose of preventing unlawful restraints upon competition in all fields of inter-

state trade and commerce. The other principle, applicable in the relatively limited field of transportation in interstate commerce by carriers subject to the Interstate Commerce Act, is found in the national transportation policy declared in the Interstate Commerce Act, as follows:

It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each; to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several States and the duly authorized officials thereof; and to encourage fair wages and equitable working conditions; all to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the postal service, and of the national defense. All of the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy.

The Interstate Commerce Commission, in administering the regulatory laws applicable to common carriers engaged in interstate commerce, is under the duty to see to it that the principles of the national transportation policy are carried out.

It is obvious that confusion and uncertainty are inevitable where these two principles of public policy, administer and enforced by different agencies, are applied in such a way that there is conflict between them. It is equally obvious that the Congress cannot itself, by legislation, deal with each instance of joint action by carriers to resolve whatever conflict may exist between the principles of the antitrust laws and the national transportation policy.

The only practical approach to the problem is to grant to a competent administrative agency, as is proposed in the bill, the authority to resolve the conflict in specific instances of proposed joint action by carriers.

Since this problem arises in the relatively circumscribed field of transportation, the agency which is peculiarly well qualified to exercise this authority is the Interstate Commerce Commission. The bill here reported, therefore, places this responsibility upon that Commission.

The bill leaves the antitrust laws to apply with full force and effect to carriers, so far as they are now applicable, except as to such joint agreements or arrangements between them as may have been submitted to the Interstate Commerce Commission and approved by that body upon a finding that, by reason of furtherance of the national transportation policy as declared in the Interstate Commerce Act, relief from the antitrust laws should be granted.

The bill provides for no relief from any provision of law other than the antitrust laws. Notwithstanding the approval of an agreement by the Commission, all provisions of the Interstate Commerce Act will apply to the carriers and to action taken by them to the same extent and in the same manner as though such agreement had not been approved.

As introduced, the bill would permit any carrier, party to an agreement between or among two or more carriers, to apply to the Commission for approval of the agreement, if such approval is not otherwise prohibited by the provisions of the Interstate Commerce Act. If the Commission finds that the agreement is in furtherance of the national transportation policy, and approves the agreement, then the parties are relieved from the operation of the antitrust laws with respect to the making and carrying out of the agreement and may act through a conference, rate bureau, or other such organization to fix rates, charges, divisions, and so forth, subject, however, to Interstate Commerce Commission approval of such rates, and so forth.

In granting its approval the Commission may attach such conditions as it deems necessary. The Commission upon complaint or upon its own initiative may recall any agreement previously approved by it for modification or termination. Certain other safeguards requested by shipper organizations have been included in the bill. The most notable of these is the provision which would prevent carriers of a different class, such as railroads and truck lines, from agreeing on matters other than joint rates or through routes.

Our transportation network in the United States is made up of four classes: First, railroad; second, motor carriers; third, inland and coastal water carriers; and, fourth, air carriers. In each of these classes are hundreds of operators. In order that each class, consisting of these hundreds of operators, may provide its through Nation-wide service, it is absolutely necessary for its operators to meet and confer and finally agree on a great many matters, principal among which is rates. If they are to be prohibited from conferring and agreeing on some of these matters, we will have throttled our Nation-wide system of transportation and will be placed in the dilemma of choosing between carriers acting solely for themselves and performing a provincial job of transportation, or sacrificing the benefits of private ownership and operation of transportation for Government operation. In other words, we will either break up our Nation-wide system or force the Government to take it over, unless the Congress authorizes approval of the conference system of doing business in transportation.

At this point I should like to read to the Members of the House a statement made by the late Joseph B. Eastman, the most well-known and most highly respected Government officer in the field of transporation regulation. Mr. Eastman, who served as a member of the Interstate Commerce Commission for a quarter of a century, and who was always considered to be a champion of the public and shippers, made this statement:

It must be clear to any reasonable man that a carrier cannot respond to all the duties imposed by law if the individual carrier acts in a vacuum. It is a situation which, under all the conditions, plainly calls for consultation, conference, and organization and for many acts of a joint or cooperative character. * * *.

I am wholly convinced that if the carriers of the country are to respond to the duties and obligations imposed upon them by the Interstate Commerce Act, and if the rate structure is to be reasonable, free from unjust discrimination or undue preference and prejudice, as simple and consistent as may be, reasonably stable, and sufficient for the financial needs of private ownership and operation, the carriers must be in a position to consult, confer, and deal collectively with many phases of the matter, and that while the ultimate right of individual action should be scrupulously preserved, it is desirable that such action should not be taken without prior notice to fellow carriers and shippers and an opportunity for them to express their views.

Let me also remind you gentlemen of the House that by the enactment of this legislation we are not setting any dangerous precedent for the future. Immunity from the antitrust laws was granted to the coastal shipping lines in 1916. More recently in 1938, a provision much broader than that proposed here for the surface carriers was incorporated into the Civil Aeronautics Act and is now a part of that act. It has been said that if we grant this relief to carriers we will have the steel companies, the oil companies, the automobile companies, and all sorts of big business coming to the Congress demanding the same treatment. Our answer to them need only be—when you submit to regulation and are regulated as completely as common carriers, both by the States and the Federal Government, we will be glad to afford you the same treatment. It is well known that almost every phase of the business of common carriers is subjected to governmental regulation.

Such opposition as has been raised against the pending bill has been aimed chiefly at its broad scope. It has been said that no one wants to strike down the rate bureaus but that this bill would also authorize Interstate Commerce Commission approval of agreements having to do with schedules, air conditioning, and numerous other phases of transportation. The author of the bill, my distinguished colleague from North Carolina, realizing that such objection as has been made was aimed almost entirely at features other than rates which might be the subject of an approved agreement, came before our committee and suggested that we greatly narrow the scope of the bill. The committee is of the opinion that the broader form of the bill is perfectly justifiable in view of the control that the Interstate Commerce Commission would have of the agreements, but in order to avoid controversy and to limit the bill to what is absolutely essential for the operation of the carriers, the committee has decided to limit the subject matter to agreements relating to rate matters. The committee thus has concurred in the author's suggestion and will today offer an amendment limiting the scope of the bill to rate matters, thus removing almost the last semblance of objection that has been heretofore raised.

When so amended, the bill will do simply this: It will authorize any carrier,

party to an agreement, to form a rate bureau or a rate association, to apply to the Interstate Commerce Commission for approval of the agreement to form such a rate bureau or association, and if the Commission finds that the agreement meets the standards set forth in the bill, then the rate bureau or association so formed will not be subject to attack under the provisions of the antitrust laws. It is, of course, the duty of the carriers to initiate reasonable and nondiscriminatory rates. The bill will not authorize the railroads or truck lines or water carriers to make their own rates. It will not give the Commission power to authorize them to make their own rates, it will merely give the Commission the authority to approve the organization of rate bureaus or rate associations. After such approval the members of the bureau or association will meet for the consideration of rates just exactly as they do today and have done for more than half a century. The product of the conference, namely, the proposed new rate or change of an old rate, still will have to be filed in tariff form with the Commission and will by itself require the approval of the Interstate Commerce Commission before it can be put into effect. Thus, the public, the shippers, and the Government will have double opportunity to protect themselves against unjust or unduly discriminatory rates on the part of the carriers.

So, we are here confronted with this simple question, Shall we have an orderly system of rate making which has been evolved through more than half a century of Government regulation and shipper and carrier cooperation, or shall we have an era of chaos in which the proven system will be discarded and carriers will be required to make rates without considering the effect on shippers and carriers other than those immediately concerned with the rate being made or changed?

There has been some discussion which would lead the public to believe that the carriers will escape some regulation presently imposed by law if this bill passes. Let me point out that quite the contrary is true. The conference method is not now subject to any regulatory authority under existing law. This bill would place rate bureaus and other carrier conference systems under regulations by the Interstate Commerce Commission, if their deliberations are to be exempt from the operation of the antitrust laws.

Passage of this bill will merely effectuate and make possible the carrying out of the declared policy of the Congress.

Mr. BULWINKLE. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, from the experiences heretofore had in respect to this legislation, I was not minded today more than to register my opposition to the bill which is offered to us again in substantially the form which it carried in previous bills presented to the House. That experience was that a similar bill was accepted by this body by a vote of 277 to 45. I do not know that even the election of 1946 or any other circumstance has sufficiently changed the complexion or the determination of the Members of the House for one who is unalterably opposed to the legislation to assume or to think through the wildest imagination that his reiterated opposition to the measure would carry any weight resulting in something different from that that happened before.

Mr. Chairman, I regard this as turning over to the transportation companies of the United States the life of the industry and the commerce of this Nation. It is not only as between railroads, but as between and among railroads, pipe lines, trucking companies, and every other mode of transportation service, which permits them to sit down together and make rates and tariffs covering every commodity conceivable and affecting every part of this Nation, with continued discrimination, if they please, against one section of the country and with impunity on account of the provisions of this bill that they are not answerable to the Sherman antitrust law or any other antitrust law; to say, as was said in the language of this bill, that the Interstate Commerce Commission can take a look at this thing and approve it if it conforms to the standards provided for in certain sections of this bill. Not if they find it to be just to every section and equitable to all industry in this country, but if it conforms to the standards set down, which do not relate to the failure of discrimination or a conspiracy to fix rates and charges as they may please, in one section of the country as much under their domination as another, yet with the privilege and the power to discriminate against any section of this Nation with impunity, and the antitrust laws cannot stop it.

To my mind, Mr. Chairman, this is the most dangerous piece of legislation that has been offered to the economy of this country in many years.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include my previous remarks on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DANGER OF TRANSPORTATION MONOPOLY TO OUR ENTIRE ECONOMY

(Speech of Hon. JOHN H. FOLGER, of North Carolina, in the House of Representatives, Tuesday, July 22, 1947)

GOOD-BY ANTITRUST LAWS

Mr. FOLGER. Mr. Speaker, there can be no question as to these bills exempting railroads, trucking companies, air lines, and other interstate carriers from prosecution under the Sherman antitrust laws.

This legislation is sought and sponsored by officials of the American Association of Railroads, abetted by other freight-forwarding interests.

I guess every Member of Congress knows this. The lobbying for this bill has been notorious and complete.

From an economic point of view, this is the worst bill offered to Congress in the past 25 years. It means economic slavery and opens wide the door to monopolies of the worst sort, with regional cartels in every business in the United States, binding hand and foot the business of the Nation. If enacted into law, we shall be at the mercy completely of the United States transportation systems—railroads, trucking companies, water carriers, and pipe lines—who would be authorized to agree on rates—railroads with railroads, railroads with trucking companies, water carriers with other common carriers. They could discriminate against areas and sections of the United States at will.

The antitrust laws are the bulwark of free enterprise.

They guarantee the freedom of the market place, and against the restraints and evils of monopoly and trust agreements.

The antitrust laws insure the freedom of all men, wherever, in the United States, they may reside and engage in free private enterprise, to feel safe and be safe in these undertakings and businesses, so far as dangers of monopoly and cartels might adversely affect their legitimate activities. In the language of Theodore Roosevelt, these laws would guarantee to every one "a square deal."

To enact legislation, under any pretext, that would insulate or eliminate any one from the application of these laws, is monstrous. And yet we have, in H. R. 221, section (8), page 4, the following:

"Parties to any agreement approved by the Commission under this section (meaning section 5a (b) with subsections (1), (2), (3), (4), (5), (6), (7), (8), and (9)), and other persons are, if approval of such agreement is not prohibited by paragraph (3), (4), or (5), hereby relieved from the operation of the antitrust laws with respect to the making of such agreement and with respect to the carrying out of such agreement, etc."

And in the Senate bill, S. 110, a little more adroitly put, the following:

"(9) No agreement approved by the Commission under this section (meaning section 5a (b), subsections or paragraphs (1), (2), (3), (4), (5), (6), (7), and (8), and no conference or point or concerted action pursuant to and in conformity with such agreement, as the same may be conditioned by the Commission, shall be deemed to be a contract, combination or conspiracy, or monopoly in restraint of trade or commerce within the meaning of the antitrust laws."

And antitrust laws are aimed at, and make unlawful contracts, combinations, conspiracy, and monopoly in restraint of trade and commerce.

By these bills, such contracts, combinations, conspiracies and monopoly are blessed and made legal, if entered into or carried on by transportation companies.

Why should one ask to be relieved from the operation or application of laws against monopolies and conspiracies in restraint of trade and commerce? Why should such a request be granted?

This is a dangerous bill. It ought never to pass.

Business and free competitive enterprise have the right to be protected by law against monopolies, trusts, conspiracies, and combinations by carriers or anybody else.

I am not willing to make these things lawful on approval by any person or body of persons, agency or commission, or bureau.

The transportation systems constitute America's biggest business; and this system—transportation—substantially controls every other business.

Already discrimination in freight rates has made or retarded business in different sections of the United States. Under this area discrimination some have thrived and grown great, while those in other sections have suffered and dwindled away; or in more instances have been unable to proceed at all.

Why this haste in passing this far-reaching legislation, whittling away the Sherman antitrust law and the Clayton Act? And this at the spot most vital to business and enterprise throughout the country.

Railroads have already been found guilty of these violations of fair play, even though we have all along had standing by the Interstate Commerce Commission. This is not particularly an indictment of the Commission or its personnel; but shows the impos-

sibility of their exercising control over the transportation system of the country; and the necessity of retaining our antitrust laws, applicable to them as fully as to any.

Through the device of a hierarchy of associations, headed by the Association of American Railroads, the transportation monopoly in combination with monopolies in other basic industries, such as steel and oil, has so fixed transportation charges as to maintain the industrial status quo and stifle free enterprise and competitive business, resulting in monopoly practices and prices to the exclusion or suppression of fair competition, attended by high prices to the consumer.

Resort to the antitrust laws has been and will continue to be the only forum for redress or correction of these evils.

The arbitrary rail-rate structure established by the illicit monopoly has prevented the southern and western regions from developing industries.

To concentrate these industries makes for unjustified long hauls, stifles the growth of industries, and unreasonably concentrates population, to the over-all detriment of the Nation. The bill would legalize and perpetuate the coercive power and control by the railroad association of all transportation.

Section 5 of the House bill is an illusion—a snare. It feigns a provision that the Commission shall not approve any agreement establishing a procedure for determination of any matter through joint consideration, unless it finds that under the agreement, opportunity to act contrary to the determination arrived at through such procedure is afforded to each party to the agreement which did not concur in the determination.

What could a small or one large road, or truck line, or water carrier do independently of a determination made by the association? Nothing. Freight that originated on one of these carriers could not move over lines within the association. They just would not get any interstate business.

Competition between the various forms of transportation—railroads, trucks, barge lines, pipe lines, has been effectively curtailed through joint action between the organizations of these various modes of transportation, which have agreed and conspired, successfully, to raise the level of rates in each form to the highest point. This notwithstanding the fact that the Interstate Commerce Commission has been existent.

The proposed legislation would facilitate the strengthening of these combinations in each mode of transportation as amongst the several forms, and as well between and within the various forms with each other.

This legislation would make lawful all such combinations intra and inter the various modes of transportation.

Section 11 of S. 110 would approve whatever may be the judgment of the Supreme Court in Georgia against Pennsylvania Railroad Co. and others, but only so far as any announced principle relates to the parties to that suit.

This may help some—but, even so, not much—only the parties to that particular action.

The bills comprehend agreements to fix rates, to limit services, to control the construction and utilization of equipment and facilities and other matters connected with the transportation industry. It excludes nothing from the conspiracy, made lawful, but pooling, division, consolidation, merger, purchase, lease, acquisition.

Under specific provisions of both bills, the transportation industry could set up and perpetuate a private government which would have the power, through combination and concerted action, to control rates, facilities, and all else affecting transportation in every form, in every part of the United States, limited nowhere, except possibly as any such combination might relate to the parties in the Georgia case and there restricted very little.

The immediate origin of this legislation was likely the exigencies of World War II, when the Government was the principal shipper, in an emergency, and such legislation was only defensible to meet the temporary emergency situation.

Now it has been seized upon as a permanent machinery for the control of transportation rates by the transportation companies acting in concert to the lasting detriment of the public. It ought not to be allowed.

The phrase "agreement between two or more carriers concerning or providing rules, and so forth, for consideration, initiation, or establishment of rates, fares, charges, including charges among or between carriers, classification divisions, and so forth, or the promotion of adequacy, economy, or efficiency of operation," is so broad as to authorize agreements, combinations, conspiracies, and concerted action comprehending every phase and activity of the transportation field. It could hardly be broader. The shipper will have no recourse in law.

Now, the antitrust laws apply to protect independence of action by individual carriers, and to preserve the area of competition within the zone of reasonableness.

Enact into law either of these bills and that public protection is gone.

As the law is, the several carriers are in competition for business; they may, within the zone of reasonableness, acquire business by the adjustment of rates and fares so as to retain the desired traffic for their own lines; but under this proposed law, these charges are fixed by combined agreements, and no one of them would dare breach such agreement, or even refuse to enter into it.

The power to fix rates, and so forth, is not vested in the Interstate Commerce Commission now, but it is in the power of this Commission to say whether rates and fares of carriers are within the zone of reasonableness.

Our antitrust laws say they shall not be fixed by concerted action, in restraint of trade or commerce.

The power to fix each rate is too vast and complicated to be exercised in detail by a responsible agency or regulatory body. The several carriers, individually, may prepare their schedule of rates, charges, and fares, and submit these to the Commission for approval or modification.

But to grant the carriers the power to get together some dark night and agree on fares, rates, charges, and everything pertaining to transportation, including all forms of transportation, is bestowing on them the control of the entire economy of this Nation, affecting every man, woman, and child in it, and those unborn.

To say this vast, complicated machinery is subject to the approval of the Commission is mockery and without force or assurance.

Not even 10 Solomons in all their wisdom could do such a job.

The Commission can operate in single cases, and within the zone of reasonableness to each; if fortified by our antitrust laws against combinations in restraint of trade.

Please do not allow this legislation. It is bad. It menaces not only areas and sections, but the entire Nation.

Mr. BULWINKLE. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. GOSSETT].

Mr. GOSSETT. Mr. Chairman, I realize that those of us speaking against this bill are simply voices crying in the wilderness. I do not want to cast any aspersions upon the sincerity of the proponents of this legislation in the House. I do not pose as an expert on transportation. There are only a few people who can so qualify. However, I do know something of the origin of this legislation. I know that it was not seriously proposed until after the Lincoln case was filed in Nebraska, and until after the Georgia case was filed in the Supreme Court of the United States.

The Lincoln case was based upon the so-called Western agreement, which everybody admits was a violation of the law. It was an agreement which had not been filed with the Interstate Commerce Commission, rather, concealed from it, and when discovered, the railroads filed it and then revoked it.

There are a few other things I know about this legislation, and it makes me strongly suspicious of it. In the first place, reference has been made to the unanimity of support. There has been no money spent lobbying against this bill. There has been at least $1,000,000 spent, perhaps with good intentions on the part of most proponents in support of this bill. They have gone up and down the land getting resolutions of Chambers of Commerce, including those in my district, saying that the Bulwinkle bill should be passed. It has been dressed up in rather fine raiment, and many people feel that it is necessary for the general welfare of the country. In this I think they are entirely mistaken.

What does the bill do? In the judgment of most of us who oppose the bill, it clearly exempts the railroads from the operation of the antitrust laws. The railroads can do all that is necessary to be done in the matter of rate making under existing law. They do not need the protection which they seek in this legislation.

The Attorney General, testifying against this bill, said:

> Both the Commission and the courts recognize that under the statutory scheme of regulation the railroads possess wide latitude and are charged with individual responsibility and initiative in the establishment and modification of rates and fares and in the provision of facilities and services.

Then speaking of powers conferred by the bill the Attorney General states:

> The bill fails, however, to give any assurance that the private power created by such agreements, once they are approved by the Commission, will be susceptible to public control and supervision.

Assistant Attorney General Berge, testifying against this bill, said it was "a bold and flagrant attempt to get special privileges and special protection" for the railroad "monopoly group already well entrenched."

The railroad industry is a $24,000,000,000 concern. It has allied with it tremendous financial interests of the North and East. They have gotten along fairly well under existing rules and regulations, and they seek now simply to further solidify their tremendous economic power and to eliminate competition.

Now, let me remind you folks what it means when competition is eliminated. There is a certain gentleman in the railroad fraternity, you know, of recent years who has been attacking some of the old rules and regulations. As a result, I can now ride from here to Texas on a through pullman. Other improvements in railroad facilities and services have been made as a result of competition.

If competition is eliminated you will be riding on the same old passenger cars 40 years hence, and public service will deteriorate rather than improve. The last bit of revenue will be squeezed out of the transportation operations with a minimum of service.

Now Mr. Berge makes these further charges against this bill:

1. Through the device of a hierarchy of associations headed at the top by the Association of American Railroads, the transportation monopoly, in combination with the monopolies in other basic industries, such as cement and oil combines, has so fixed transportation prices as to maintain the industrial status quo and to prevent a new enterprise from competing with the industrial monopolies.

2. The arbitrary rail-rate structure established by the illicit monopoly has prevented southern and western regions from developing their industries.

3. This bill would legalize the present unlawful domination and control over the Nation's competitive economy possessed by the Association of American Railroads and its industrial allies.

They come here now and tell us that they need this bill in order to get together on rates. They can now collaborate on rates. But under this legislation if passed, they can do a great deal more than that. What they would do if this bill is passed is not only to fix rates, but also to eliminate competition. Here is a faster carrier that perhaps can get perishable goods to the market a little sooner. He would be restricted in his operations in favor of another carrier. They could also determine whether or not emergency rates can be fixed on shipments and discriminate against movement of traffic in certain areas in favor of the movement of traffic in other areas.

The point has been made that small carriers and many private citizens are writing letters to Congressmen saying, "We approve this legislation." If you talk with the folks who have written you from back home, I venture to say that you will find that nine out of ten of them do not have any idea what the Bulwinkle bill is all about and they will tell you, "I wrote you that letter in response to a request from somebody up the line."

The Association of American Railroads have a way of bringing economic pressure on the small carrier. They simply can cut off the traffic that they give them and route the shipments somewhere else. They can whip them into line. You have an industry here perhaps the biggest and most powerful in the Nation coming in and saying, "We want to be exempted from the anti-trust laws. The railroads cannot serve two masters. We need protection." Protection from what? It is obvious that notwithstanding the claims that are made for this legislation, it seeks to give to the transportation monopoly of the country a further monopoly. I want to say to you that in my judgment, the greatest threat to the economic security of this country now and perhaps for years to come is monopoly of one kind or another. We need trust busting not trust perpetuation. Competition has always been and will always be the lifeblood of trade, and through competition, the public gets better services and better commodities at lower prices. It is ridiculous to be told that in the public interest we must exempt this gigantic railroad monopoly, dominated and controlled by the Association of American Railroads from the operations of the antitrust laws. To paraphrase an old saying, "This is more power than honest operators would want, and more power than dishonest operators ought to have."

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HINSHAW. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. CARSON].

Mr. CARSON. Mr. Chairman, I would like to keep the record straight for the benefit of the gentleman from Texas [Mr. GOSSETT], who just made a few remarks a moment ago to the effect that this legislation was introduced after two suits were brought in the Supreme Court—that is the Georgia case and the Lincoln, Nebr., case. Let us look at the facts and see if that is true.

The original Bulwinkle bill, H. R. 2720, was introduced in the Seventy-eighth Congress on May 17, 1943. That was 5 years ago. It was not until June 12, 1944, over 1 year later, that the original complaint was filed by the State of Georgia in the United States Supreme Court.

Furthermore, the amended complaint, on which the case is principally founded, was not filed by the State of Georgia until September 15, 1944, a year and 4 months after the introduction of the original Bulwinkle bill.

With regard to the second contention, that is, with respect to the Lincoln, Nebr., case, bear in mind that the original Bulwinkle bill was introduced on May 17, 1943, the original complaint in the Lincoln case was not filed until August 23, 1944, 1 year and 3 months later.

To sum up exactly what I have said, H. R. 2720 was introduced more than a year before either the Georgia suit or the Lincoln suit were ever heard of.

We are trying in this bill to do the thing we have been doing for the past 50 years or more. As the author of this bill and my chairman have so well stated, this came about after the Transportation Act of 1920, which, as we know, was a complete departure from the regulatory plan which had preceded it. It created a new policy, fostering the guardianship of transportation. It distinctly encouraged consolidations of carriers under proper standards, as a means of solving the major problems, leases, controls, mergers, and authorizing the approval of pools of traffic and earnings. The attorney generals recognized the necessity for grouping the carriers to bring about desired equality of rates and rate stability.

I do not know of anyone who has better stated the necessity for this legislation than the present chairman of the Interstate Commerce Commission, Hon. Clyde B. Aitchison, when he appeared before the Senate Committee when this bill was being considered in 1945, when he said, in substance, this:

The carriers should be permitted to do collectively and fearlessly that which the law, as expressed in the Interstate Commerce Act, requires of them, in the large way contemplated by the spirit of the whole act and in conformity with the national transportation policy. But they should be permitted to do this in a manner consistent with the public interest, openly, fairly, without coercion, and so as to preserve the essentials of private enterprise within the permissible bounds of the law.

Our chairman has related to you the many fine organizations that appeared before the committee. By actual count, in the Senate hearings in 1945, there were 1,190 different organizations who appeared before that committee in favor of this legislation, consisting of many of the livestock organizations, agricultural organizations, shippers, and traffic and transportation organizations, business organizations, chambers of commerce, civic and other organizations. Exactly 1,190 of those different organizations appeared before the Senate committee and either supported or spoke in favor of the bill.

Mr. Chairman, no one in this country has a greater interest in the legislation now under consideration than the shippers and receivers of freight. These shippers and receivers know that their business cannot be carried on without conferences among railroads, and between themselves and railroads and other carriers of freight. They know from actual experience that the just and reasonable rates required by the Interstate Commerce Act could never be obtained without conferences between carriers and between shippers and carriers.

For more than 50 years such conferences have taken place, openly and publicly, participated in by shippers and receivers of freight, and with full knowledge of the Interstate Commerce Commission and of State regulatory commissions. And it has been only in the last few years that any question has ever been raised as to their legality or necessity, and this by the Antitrust Division of the Department of Justice under a new theory that such conferences, even though admittedly necessary, somehow violate the antitrust laws, and should not be permitted.

The only purpose of the bill now before us is to permit the continuation of the making of a limited and defined class of agreements with respect to rates which are necessary for the carrying on of transportation on a national scale, and to provide additional supervision, regulation, and control over the making of such rate agreements by the regulatory body charged by Congress with administration of the Interstate Commerce Act, to the end that any such rate agreements will not violate the antitrust laws.

The bill in no sense weakens the antitrust laws. On the contrary, it will cause such laws to receive greater consideration with respect to these particular agreements on rate bureaus, because it makes plain the will of Congress as to what extent and what manner the antitrust laws shall be considered and applied in the transportation industry, and this by an agency of Congress created over 60 years ago and charged with protecting the public interest in transportation matters.

No fairer piece of legislation has come before Congress in many years. It gives the railroads and other carriers nothing in the way of authority which they do not already possess, nor does it deprive them of any authority or managerial discretion. It takes nothing whatsoever away from the shippers and users of transportation. If anything, it gives to them the added protection of closer supervision and regulation over practices which affect what they pay for transportation.

The bill hurts no one. It removes the doubt cast by the Antitrust Division upon the legality of agreements which time and practice have proved absolutely necessary, and at the same time surrounds such agreements with additional safeguards to protect the public interest, which includes the preservation of a sound transportation system. The bill deserves and merits prompt enactment.

Mr. LEA. Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, it seems to me that the measure we have before us this afternoon should be tested not by any of the expert theories that have been advanced or any of the formulae that have been suggested as having been worked out by those who are supposed to be experts. After all, our concern should be, as I see it, for the welfare of the people of America, and I think that this proposal can be tested by two rather simple and understandable yardsticks.

There is, of course, first, a question of principle involved here—a principle the determination of which will decide whether we want to have a corporate economy, the type of economy that was foisted on central Europe prior to World War II where certain favored groups were given monopolies, or whether we believe in an economy of competition where anyone has a right to compete on equal terms with anyone else. It has always been my belief that we should follow the principle of competition. I believe that it results in the highest standard of living for all of our people. I believe that it results in progress, in advancement, in economies of operation, and in improvement of services.

I have never observed the railroads or any other industry giving the people any more than they had to give, any more than competition required. I look therefore with a great deal of trepidation upon any proposal to wipe out competition. It seems to me that on the basis of sound public principles, on the basis of principle, on the basis of what is sound for the Nation, we should defeat this proposal to abandon our free economy and to adopt a program of protected monopoly.

The second test should be on the basis of past experience. On the basis of actual results. The gentleman from Ohio who recently addressed us suggested, and I think correctly, that this was but an extension, a continuation of what we have had for the last 50 years. Does the gentleman from Ohio or does any member of the committee that brings this bill before us suggest to the American people that the freight-rate structure and the passenger-rate structure of this country that has grown up under this monopolistic principle, even though it has been carried on outside of the law, does the gentleman suggest that our past method of freight and passenger rate formation has resulted in anything good for the Nation? Does he think that our rate structures are something to be proud of? Does he think that these rate structures are something that the public can understand, something that is workable and something that is doing the maximum good for our people? Far from it. I think we must all agree that one of the weakest points in our present economy is our tremendously complicated rate structure. The experts do not understand it, neither does anybody else. I do not believe there is a man in this room who will claim he understands what we have done during the last 50 years; yet the gentlemen come to us and suggest that we should legalize the things that have been done for the last 50 years without legal authority. Why, Mr. Chairman, should we continue in the same old way?

If old ways are bad I do not think we should continue them. I do not believe that my section of the country has had a square deal under that system of rate making. The only time we have had any reduction in rates was when we had some competition from unregulated truck lines. During the early days of motor-freight transportation we got some rate reductions in the Southwest, and I trust that they were given in other sections of the country, but they were given in every instance as a result of competition that the railroad had to face before it was possible to pull a cloak of monopoly around the shoulders of the carriers who now seek to have that monopoly they so long enjoyed outside the law whitewashed by this Congress. If you believe in competition, vote against this bill.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, it seems to me that there should be no doubt in the minds of any of us as to the propriety of this proposed legislation known as the Bulwinkle bill. It is clearly the duty of this Congress to state the national policy and to write the law in such a way that the national policy will be carried out. This legislation is necessary to clear up present conflict and present confusion.

In one of the finest statements ever made by Congress we have clearly set forth the national policy in transportation. That declaration of policy is, indeed, a masterpiece. In it we have declared our purpose: To provide fair and impartial regulation to promote safe, adequate, economical, and efficient service; to foster sound economic conditions in transportation; to encourage reasonable charges without unjust discriminations, undue preferences, or unfair or destructive practices; and to encourage fair wages and equitable working conditions.

All to the end of developing, coordinating and preserving a system of transportation adequate to meet the needs of commerce, the postal service, and the national defense.

All this bill does is to say that agreements and cooperative action which is in furtherance of the policy we have stated shall not be unlawful under the antitrust laws.

In other words, by the adoption of this bill, we make it clear that action which is in support of, in furtherance of our policy as stated in one law, will not constitute a crime under another law.

It has been argued that Congress should not act because there are suits pending in court to find out how far the antitrust laws should be applied to transportation. But that is no reason for delay. In fact, it is all the more reason why we should act now. Are we to lay down the policy of Congress and then stand by while suits are dragged through the courts to frustrate our policy? By this bill we do no more than to say that our transportation policy may be carried out and put into effect and that other laws shall not be twisted by court interpretation to prevent that policy from being effective.

This bill just makes plain common sense. We passed this bill on December 10, 1945, by a vote of more than 6 to 1—277 to 45. It took about 2 years for the bill to come back to us. We should clear up this confusion now. The overwhelming endorsement of this bill is convincing evidence that we were right then and that we will be right now if we pass it today.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, what I have to say in a few minutes is the desire of practically everyone with any interest whatsoever in the problem presented by this bill. And this includes the railroads, the motor carriers, the water carriers, freight forwarders, the shippers of the country, the Interstate Commerce Commission, and the State regulatory commissions and traffic organizations throughout the land.

In the first place, let me make it clear that I support the passage of the bill because as I understand the amendment proposed by the committee, the only agreements to be considered and approved by the Interstate Commerce Commission are those relating to rate matters. The bill is, to my mind, a necessary addition to the powers already possessed by the Commission with respect to rates, and is the most practical and sensible solution to a muddle in transportation brought about by a useless and unnecessary conflict in authority. The bill presents a positive and most constructive solution. In brief, the bill says in effect to the Commission, you now possess great power over the rates of the various carriers of the country: As the agent of Congress, your powers will be increased to the extent that you will be called upon to inquire into the manner in which these rates are determined—whether the agreements between carriers, the joint action and necessary conferences are in accord with the national transportation policy of Congress, and not violative of the antitrust laws.

And here let me emphasize that the bill does not remove the railroads from

the antitrust laws. It places upon the Interstate Commerce Commission the responsibility of determining, under standards set out in the bill, what can and what cannot be done collectively by carriers with respect to rate matters and authorizes the Commission to exempt from the operation of the antitrust laws, only such rate agreements as are necessary to carry out the purposes of Congress as set forth in the national transportation policy. It grants no immunity from the antitrust laws in any other respect.

From the hearings and reports of both the House and Senate Committees, there is not the slightest doubt that the shippers and regulatory bodies are unanimous in their approval of the continuance of the conference method of dealing with rates. Under the Interstate Commerce Act, it is the duty of the railroads and other carriers to initiate reasonable and nondiscriminatory rates. Without conferences and joint action, no properly related rates could ever be established. The bill provides a means for continuing the present rate procedures under the jurisdiction of the Interstate Commerce Commission, and at the same time protects the carriers, as well as the public, from violation of the antitrust laws in the process, by requiring Commission approval of any necessary collective activity which otherwise might not be proper.

In effect, the bill is clearly a strengthening of governmental control and supervision over the transportation agencies of the country. And if it is not passed, and if the rate-making procedures of the carriers should be condemned under the antitrust laws, the shippers of the country would suffer a most destructive blow. Orderly and related transportation rates would be impossible and the carrying out of the congressional transportation policy and compliance with the requirements of the Interstate Commerce Act would be impossible.

Mr. WOLVERTON. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Chairman, I oppose this legislation. I opposed it as vigorously and as ably as I knew how when it was before us previously, and if by any chance it should come back here again I shall oppose it at that time. I do so with deepest respect to the views of the protagonists of this legislation, and particularly of my own committee. But it seems to me that we have either a simple principle that the antitrust laws ought to be good for the country and all segments of industry or else we ought to abolish them altogether, instead of picking out one of the great industries, the very necessary transportation industry, and giving them a dose of legislative immunization, then saying to the rest of the country, "Well, the antitrust laws apply to you, but not to the railroads."

The people of the United States know that the loss of economic or political freedom by any segment of the world's population, endangers the continued existence of these economic and political rights in our own Nation. Preserving the pattern of freedom, both economic and political, is necessary; once it begins to disintegrate, the rights of all will ultimately be lost.

That is why I am so concerned about the legislation that we are now considering which would allow exemption of the railroads and other transportation agencies from the antitrust laws. On one hand, we can understand that once western Europe has lost its political freedom that our political system is greatly endangered, but on the other hand we may not realize or fully appreciate the danger to our economic system by the loss of economic freedom by a large segment of the economy of the United States such as represented by the common carrier transportation industry as embraced in this legislation.

It seems to me that the basic distinguishing feature between a free-enterprise system such as that which we have long enjoyed and now cherish in the United States and the systems of the various socialistic nations is epitomized in the phrase "free competition." The antitrust laws are the principal means by which free competition has been kept alive in this country, and the result has been economic prosperity in a measure unknown to any other country.

It is unnecessary for me to here assert that our superb and unsurpassed transportation industry has developed within the framework of the free-enterprise system. As the Supreme Court of the United States said in the *Joint Traffic Association case* (171 U. S. 505):

> But, after all, competition is not only the life of trade, but the underlying basis of our social and industrial life. There may be a better way, but we have not yet found it. Competition goes along with freedom, with independent action. This country was founded on the principles of liberty and equality. It sought to secure to every citizen an equal chance under the law.

And in the *Trans-Missouri case* (116 U. S. 290) the Supreme Court said:

> Competition, free and unrestricted, is the general rule which governs all the ordinary business pursuits and transactions of life. Evils, as well as benefits, result therefrom. In the fierce heat of competition the stronger competitor may crush out the weaker; fluctuations in prices may be caused that result in wreck and disaster; yet, balancing the benefits as against the evils, the law of competition remains as a controlling element in the business world.

What is competition and what was the purpose of the Sherman Act? In the *American Linseed Oil case* (262 U. S. 371) the Supreme Court said:

> The Sherman Act was intended to secure equality of opportunity and to protect the public against evils commonly incident to monopolies and those abnormal contracts and combinations which tend directly to suppress the conflict for advantage called competition—the play of the contending forces ordinarily engendered by an honest desire for gain.

Once our transportation industry is freed of the basic concept of competition, other industries have the excuse that they, too, should be allowed to forego the competitive ideal by exemption from the application of the antitrust laws.

If, for example, the Sherman Act is to be scuttled by exempting therefrom the railroads, why should the automobile manufacturers, insurance companies, and typewriter manufacturers not likewise be exempted. A person does not have to buy an automobile, insurance policy, or a typewriter but the railroads affect all our citizens. As the Supreme Court of the United States said, in the Joint Traffic Association case, supra:

> It must also be remembered that railways are public corporations organized for public purposes, granted valuable franchises and privileges * * * and that they all primarily owe duties to the public of a higher nature even than that of earning large dividends for their shareholders. The business which the railroads do is of a public nature, closely affecting almost all classes in the community—the farmer, the artisan, the manufacturer, and the traders. It is of such a public nature that it may well be doubted, to say the least, whether any contract which imposes any restraint upon its business would not be prejudicial to the public interest.

If the Congress here exempts the railroads from the Sherman Act, what then becomes of the system of free competition that we rightly boast has given us the highest economic standards of the ages? Its loss would lead us along the same path followed by other countries that have chosen cartels and monopolies in preference to free competition. Germany and Japan are two of them. Where has their embracing the suppression of free enterprise led those countries? The answer is obvious.

By competition in the field of common-carrier transportation I do not mean a return to the days of cutthroat competition before the Act to Regulate Commerce of 1887. I mean the present system of competition under which the Interstate Commerce Commission has the power to prescribe the floor and the ceiling for rates leaving the zone of reasonableness referred to by the Supreme Court—two hundred and eighty-nine United States 627—within which the various carriers may adjust their rates in the true American competitive fashion.

England is another country that has encouraged monopolies and cartels in preference to free enterprise. Consequently, it has followed the only alternative that can be followed by a nation that substantially foregoes free competition—the adoption of some form of socialism.

The form of socialism to which a nation may drift, after it abandons free competition, may vary from the comparatively mild form now prevailing in England to the more rigorous form now prevalent in Soviet Russia. The economic characteristics of both systems have in common the feature that the living standards of the great mass of the people in both countries are low. Living standards cannot long remain low without causing unrest and changes in political institutions.

It seems to me that our single largest task is to maintain a high standard of living for our people to prove to nations now wavering on the edge of totalitarianism that democracy and free competition offer them the most, not only politically but economically. How can we do this by lessening the application of the basic concept that makes us the greatest Nation—free competition?

The Congress has taken considerable interest in the welfare of small business in the last few years. It is a matter in which I am particularly interested. Not only should small business be given every assistance that the Congress can legally give it, but we should refrain from passing laws or amending present laws that will create conditions that will make it more difficult for the small businessman to survive. This brings me to the great danger inherent in the everyday operations under the proposed legislation, which is designed to work in this way: Once a basic agreement, under which the transportation agencies wish to function, is approved by the Interstate Commerce Commisison, the individual, day-to-day transactions carried on under the agreement are freed from the application of the antitrust laws. True, anyone feeling or finding out that the carriers have done anything improper may protest to the Interstate Commerce Commission, but what chance has a small businessman in Minnesota or Texas with his limited resources against a combination of the great transportation corporations of the United States with their billions and billions of dollars of resources?

Proponents of the legislation would have you believe that the Interstate Commerce Commission can be depended on to protect the public interest and to see that no abuses are carried on if the measure becomes law. It is obvious that the Commission, no matter how diligent it may become, could not adequately police the hundreds of millions of separate transactions that are carried on each year in the field of common-carrier transportation. These transactions are now subject to the antitrust laws; to allow them to be made exempt from the antitrust laws and substitute therefor a possible enforcement by an administrative agency—Interstate Commerce Commission—of 11 men and an already overworked staff is nothing short of ridiculous.

Furthermore there is no administrative similarity between the public interest feature of the Sherman Act and the public interest feature of the Interstate Commerce Act. The public interest dictated enactment of the United States Criminal Code. If the public interest feature of the Sherman Act is to be administered by an administrative agency insofar as the transportation industry is concerned, we might as well turn over to that agency enforcement of the United States Criminal Code to the extent that the transportation industry is involved. Small business is already burdened by problems so great as to be nearly insurmountable. To add to that burden the dangers that are inherent in exempting from the antitrust laws the industry on which nearly all small business is dependent—the transportation industry—is something that no group interested in the welfare of small business should even seriously consider.

As I pointed out in the minority report against reporting favorably H. R. 221, Eightieth Congress, first session, the real purpose of this legislation is to give the railroads relief from an antitrust suit brought by the State of Georgia, against the carriers, in the Supreme Court of the United States and another antitrust suit brought against the western railroads by the United States Department of Justice in the United States District Court at Lincoln, Nebr. In that dissenting report I stated—Report No. 1100, House of Representatives, Eightieth Congress, first session, page 23:

> Passage of this legislation would render these cases moot unless the proponents will include amendments that will exempt these cases. This they have failed to do although the companion bill, S. 110, as passed by the Senate, included a provision that the Supreme Court shall not be deprived of jurisdiction in the Georgia case, or that any principle of substantive or procedural law otherwise applicable shall not be changed by passage of the legislation. (Par. 11 of S. 110, passed by the Senate on June 18, 1947, CONGRESSIONAL RECORD, p. 7216.) If the proponents of this legislation wish to give weight to repeated assertions that this bill will not deprive the courts of jurisdiction, or the plaintiffs of a remedy, in the Georgia and Western cases a suitable proviso should be included in this bill that will apply to both cases.

I now repeat, if the proponents of this legislation are sincere in their repeated assertions that the proposed legislation will not deprive the courts of jurisdiction in the Georgia case and the Western case, an amendment exempting those cases will be included in the proposed law.

Let me recount briefly a few of the actions charged against the railroads in these suits:

On October 11, 1941, the Southern Railway submitted to the Southern Freight Association a proposal for a reduced rate upon logs from certain stations in northwestern Alabama to Altavista, Va., the entire movement being over the lines of the Southern Railway. The Southern Railway in its proposal stated that it felt that the reduced rate was necessary in order to permit the logs to move from the Alabama points. When the rate proposal was submitted by the Southern Freight Association to its members, the principal rail objection was predicated upon the dangerous competitive influences that might be set in motion by the establishment of the suggested rate.

The proposal was disapproved initially by the General Freight Committee of the Southern Freight Association by majority vote. It was then appealed to the Executive Committee where it was again disapproved by majority vote. Finally an appeal was taken to the Traffic Executive Association—Southern Territory. On July 20, 1943, 22 months after the proposal was first filed, it was stricken from the docket of the Traffic Executive Association. There was no applicable statute that required that the proposal be even submitted to the Southern Freight Association.

This illustration demonstrates that the plenary power of rail carriers to coerce, prevent, hinder, and delay the filing of rate proposals is not limited to situations where the railroads confer upon the formation of joint rates. Here the entire movement was over the rails of the proponent railroad; even so its managerial judgment and discretion was subjected to the concerted judgment of defendants, none of whom were parties to the rate proposed—plaintiff's trial brief for the Court, Supreme Court of the United States, October term 1945, No. 11, original, State of Georgia against the Pennsylvania Railroad Company et al, page 82.

When schemes are exempted from the antitrust laws whereby individual railroads are denied the right to exercise their managerial discretion in serving patrons on their lines, the free enterprise system has suffered a crushing blow.

The Western railroad defendants, according to the record, have committed such acts as these:

In 1937 a printer of newspaper rotagravure sections in Chicago requested the railroads to publish a passenger train carload rate of 140 cents per 100 pounds from Chicago to California destinations in order to permit him to effectively meet competition from California printers. This rate represented a combination of the Milwaukee Railroad's rate to Seattle of 90 cents and a truck rate from Seattle to San Francisco of 50 cents. The Chicago to California rail route agreed to established the rate requested by the Chicago shippers. Several carriers objected to this rate on the theory that it would jeopardize the existing mail-pay rates and their protest was carried to Commissioner Taylor of the Western Association of Railway Executives.

Commissioner Taylor assumed jurisdiction of the controversy and as the result of his handling the Chicago shipper was denied the rate sought and in addition thereto Commissioner Taylor "persuaded" the Milwaukee to raise its Chicago to Seattle rate from 90 cents to $1.80 and the Chicago Great Western to raise its Chicago to Twin Cities rate from 50 cents to 90 cents.

Commissioner Taylor was also successful, in 1938, in preventing the Wichita, Kansas, Beacon from securing a rate of 60 cents per 100 pounds on magazine inserts in carload passenger train service even though the Chicago Great Western, Missouri Pacific, and Rock Island railroads had indicated their willingness to establish such rate—pages 413, 414, 415, and 416 of plaintiff's trial brief, part II, Civil No. 246, District Court of the United States, District of Nebraska, Lincoln division, United States against Association of American Railroads, et al.

Commissioner Taylor was also successful, in 1934, in preventing the Chicago Great Western Railroad from establishing reduced competitive freight rates on packing house products between Chicago and Missouri River points. For example in his summary of activities for the year 1934, he said:

> This proposal was presented during 1933, at which time report was rendered by me, disapproving the action contemplated. The Chicago Great Western Railroad Co. served notice of intention to proceed with the establishment of such rates. However, at the request of the committee of directors, conference was held between the president of the Chicago Great Western Railroad Co. and the subcommittee of the committee of directors, following which a further meeting of the chief executives of all roads involved was held, and the position formerly taken, disapproving the establishment of rates proposed, was reaffirmed. As a result of the conference with the subcommittee of the committee of directors, the Chicago Great Western Railroad Co. indicated a willingness to

abide by my conclusions under the Commissioner Agreement, and the proposal was withdrawn.

If such acts as these have been committed by the railroad defendants in these antitrust suits, they should suffer the legal penalty for such acts. If the rail lines are innocent of any wrongdoing they should be given ample opportunity, in court, to clear themselves of the serious charges preferred against them. Passage of this legislation in either event is obviously not the indicated action or proper solution. It is not the function of Congress to bail out defendants in lawsuits.

But even more important than these individual court suits is maintenance of a free system of competitive enterprise in the United States—a feature, as I said at the outset, that distinguishes our democracy from the various socialistic and totalitarian governments in the world today. This legislation, or any legislation that proposes to change that system of free competition by allowing exemption of industry from the antitrust laws, turns the United States away from political and economic democracy. The only possible future result can be some form of collectivistic government. We should consider matters that strengthen our free enterprise system, not those that tear it down as does this measure. I therefore earnestly urge you to join me and other advocates of our free enterprise system in casting your vote against this pernicious legislation.

Before exempting the railroads from the antitrust laws, it is well to consider their activities during World War II, during which time they had a measure of immunity from the antitrust laws in connection with the determination of rates, rules, regulations, and practices relating to the transportation of war material for account of the United States Government. Following representations to the Department of Justice, the railroads created a committee known as the Traffic Executive Chairmen's Committee, which legislated upon rate questions affecting the transportation charges on the greater portion of war material handled by the railroads for the Government.

Long before the end of hostilities the activities of this committee were such that the Department of Justice found it necessary to caution the committee, and it was placed on notice that unless its activities were made to conform with the letter of conditional immunity from the antitrust laws it would be necessary to withdraw same.

It is common knowledge that the railroads through this committee—and furloughed railroad employees masquerading as officers in the Army and Navy—gouged the Government hundreds of millions of dollars in the form of extortionate rates. The Attorney General of the United States is now seeking recovery of these damages through a series of civil complaints filed with the Interstate Commerce Commission.

If this is an example of what the railroads might be expected to do in connection with normal peacetime traffic following enactment of this legislation, it would appear that the Congress should proceed with caution in passing this bill.

NATIONAL FEDERATION OF
SMALL BUSINESS, INC.,
Washington, D. C., May 11, 1948.

Hon. JOSEPH O'HARA,
House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: You will recall the position that the Federation took in its brief filed with the Interstate and Foreign Commerce Committee opposing the Reed-Bulwinkle bill. We still maintain that position and in behalf of small business of this Nation we reaffirm our position in vigorously opposing any attempt by legislative actions to suspend the antitrust laws in favor of the railroads or any other big industry throughout the Nation.

It is my understanding that this bill will not alone give exemption to antitrust laws in rate-fixing by railroads, but also to motor carriers. I do not think it is an idle statement that there is a close liaison existing between the railroads, certain large motor carrier fleets, and possibly big rubber and oil interests. I understand that the inland water routes will likewise be permitted to fix rates under the proposal.

It is interesting to note that very recently the Antitrust Division of the Department of Justice filed charges against certain motor carriers, oil, and rubber interests who were attempting to monopolize the bus transportation system in certain western sections of our Nation.

It is a safe conclusion that if the Congress votes the Reed-Bulwinkle bill, as surely as this letter is written to you, other big industries will come in with the same plea for exemption from the antitrust laws, with the same request that railroad interests did: "We need this relief to protect us against chaos within our industry."

I am attaching herewith a copy of a telegram of May 9 directed to certain important leaders in the House, the message signed by the federation's president, C. W. Harder. After all, what Mr. Harder is stating is following out the wishes of the members of the Nation-wide membership of the federation. He is not speaking for himself, but he is speaking in the interests of Nation's small business.

Just a few days ago I received a communication from the Beaumont Variety Store, at Beaumont, Calif., their letter of April 28, 1948. I am also attaching a copy of a letter from the same people to the Interstate Commerce Commission, dated November 26, 1947, and a copy of the letter from the Interstate Commerce Commission to the Beaumont Variety Store, dated December 3, 1947. A quick review of the situation will give you a good indication of the little or no help to small business that can be obtained from the Interstate Commerce Commission.

During the past 2 or 3 weeks important major decisions have been rendered by the United States Supreme Court—three momentous decisions, for the first time in many years tending to strengthen antitrust-law enforcement, and more important, the decisions a stimulant to small business of this Nation that the antitrust laws mean just what they were set up to do—to protect against monopoly. I cite the decision in the Cement Institute case, the moving picture industry, and the Morton Salt case (price discrimination). What a discouraging situation it would be for the future of small business of this Nation if we find after these three major decisions in putting strength behind the antitrust laws, that the Congress now would suspend the laws for the railroad industry and others, permitting them to fix rates.

If railroad management is vitally interested to protect their industry, the public, their employees and stockholders, they will get on the job at once and find ways and means to revitalize their business through real free competition among members of the industry, and stop depending upon the Congress and the administration for hand-outs and help. The average small business institution of this Nation must find ways and means in the highly competitive market that they face with big business interests to maintain their position in our Nation's economy and the same rule or reason should apply to the railroads of this Nation.

What this Nation needs today to maintain its free competitive position is not suspension of antitrust laws but, on the other hand, what small business is clamoring for and has been clamoring for for years, the strengthening of antitrust laws and the application of the laws to all segments of our Nation's economy, and an all-out vigorous enforcement of the laws by the administration and a directive from the Congress of the United States.

Please feel free to use this statement and the accompanying material in your remarks on the floor in opposition to this bill. Small business is to be congratulated that you will be one of the few that will speak in their interests in this important discussion on this major legislative action.

Sincerely yours,

GEORGE J. BURGER.

[Telegram]

WASHINGTON, D. C., *May 9, 1948.*

(Night letter sent to certain congressional leaders in the House.)

We are informed that the House of Representatives will debate and vote on the Reed-Bulwinkle bill this week. On behalf of the small, independent business, and professional-man membership of this National Federation of Small Business, we beseech you to vote against this legislation, to use every last ounce of your energies to persuade your colleagues to vote against it. We call your attention to the fact that the membership of this federation, the largest individual, small, independent business and professional-man membership of any business organization in these United States, when polled by mandate ballot during March 1947, voted 80 percent against the Reed-Bulwinkle bill. This Nation-wide sounding, the only such sounding in which small, independent business and professional men sent their ballots directly to their Congressmen, was based on distribution, through the mails and by almost 100 Federation field representatives, of 119,000 mandate ballots. Federation members are convinced that this is an extremely dangerous piece of legislation, that it threatens the welfare of our free, competitive, independent, capitalistic system, that system on which is founded our present greatness. They oppose this bill because it would effectively immunize the railroads, one of the cornerstones of our economy, from the Federal antitrust laws, because it would set a pattern for other industries to follow. Today it is the railroads that are attempting to drive a hole through the antitrust laws. Tomorrow it will be steel, rubber, oil, and other basic industries. And when they are through, monopoly will have a stranglehold on our Nation, then public ownership of industry will follow. And the spirit of communism will have conquered without the firing of a single bullet. Your attention is called to the fact that today Federal prosecutions of price-fixing cases are pending or taking place, yet here is a bill designed to give Government protection to rate fixing in one of our most basic industries. Today our Supreme Court is issuing some of the most significant antimonopoly decisions in its entire history, decisions that are long overdue for reason of the tremendous concentration that has taken place in our business structure, yet here is a bill that gives monopoly concentration the most brilliant green light that it has ever had. Mr. Congressman, we believe that

the welfare of your small, independent business constituents, which is threatened by this bill, is of more importance to you than are the interests of the monopoly groups that are promoting this special interest legislation. We ask if you are going to vote for the interests of small, independent business, as expressed in the mandate ballot or if you are going to vote against it and for the interests of the railroad business monopolists who right now are raising their charges regularly. We urge you to vote against this Reed-Bulwinkle bill.

C. W. HARDER,
President.

BEAUMONT VARIETY STORE,
Beaumont, Calif., April 28, 1948.

Mr. GEORGE J. BURGER,
Director, National Federation of Small Business, Inc,
Washington, D. C.

DEAR MR. BURGER: In reply to yours of the 23d, I will try to boil my problem down to a brief but complete as possible review.

It seems that a consignor may elect to ship merchandise in a pool car shipment consigned to a forwarding or carloading company for distribution to predesignated consignees, and that the charges made by the forwarding, or distributing, organization are not subject to the jurisdiction of the Interstate Commerce Commission.

This lack of jurisdiction frequently results in charges in excess of those charges which would result had the shipment been made by direct freight.

We have two specific cases apparently involving only the Freight Transport Co. of Los Angeles. And during the past year we had two other cases involving the National Carloading Co., also of Los Angeles, but these latter two were corrected by the consignor, and we no longer have the records in connection with these two cases.

The two cases now in question are identical in nature, being two shipments of cotton underwear shipped from the P. H. Hanes Knitting Mills at Winston-Salem, N. C., via Western Pacific Railroad in a pool car shipment consigned to Freight Transport Co. at Los Angeles for distribution to consignees predetermined by the P. H. Hanes Co. at the time of shipment. Freight Transport Co. turned each of these shipments over to Southern California Freight Forwarders for delivery to us.

The first shipment under date of July 15, 1947, consisted of two cases of cotton underwear weighing 308 pounds, the charges for which, we discover, were as follows:

Rail movement to Los Angeles (308 pounds at $3.72 per hundredweight)	$11.46
Freight transport cartage charge (308 pounds at 48 cents per hundredweight)	1.48
Freight transport distribution charge (minimum charge 60 cents)	.60
Southern California Freight Forwarders delivery charge to Beaumont (308 pounds at 86 cents per hundredweight)	2.81
Total	16.35

The second shipment under date of August 7, 1947, consisted of one case of cotton underwear weighing 173 pounds, the charges for which, we discover, were as follows:

Rail movement to Los Angeles (173 pounds at $3.72 per hundredweight)	$6.44
Freight transport cartage charge (minimum charge 89 cents)	.89
Freight transport distribution charge (minimum charge 60 cents)	.60
Southern California Freight Forwarders delivery charge to Beaumont (173 pounds at 86 cents per hundredweight)	1.77
Total	9.70

According to the Southern Pacific Railroad station agent at Beaumont, this merchandise could have been moved by direct freight from Winston-Salem, N. C., to Beaumont, Calif., at the rate of $4.75 per hundredweight plus Federal tax.

I realize that the amount that these shipments cost me in excess of the cost of direct rail is small, and as such, reimbursement for these excessive charges would not pay me for the time and effort expended in obtaining such refund.

But I realize that my small case must be multiplied by the thousands each month and as such certainly reflects in additional costs to the ultimate consumer as well as it increases the operating overhead of each small-business man in the country.

Therefore, anything that can be done to eliminate the use of these parasitical organizations will prove a service to the retailer as well as the general consuming public.

To further explain the situation I will enclose a copy of my last letter to the Interstate Commerce Commission in regard to this and their reply to same.

I hope that this will explain what I have in mind, but if further explanation is required, I will be happy to try again.

Very truly yours,
BEAUMONT VARIETY STORE,
By GLEN M. RUSSELL.

BEAUMONT VARIETY STORE,
Beaumont, Calif., November 26, 1947.

Re: Informal Complaint No. 176254.

G. W. LAIRD,
Acting Secretary,
Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Reference is made to your letter of November 21, 1947, in regard to informal complaint No. 176254.

In your letter you have cited to us section 402 (c) of the Interstate Commerce Act relative to consolidated shipping in order to obtain volume rates and have advised us that forwarding company rates need not be the same as of other transportation agencies.

It seems to us that if the charges made to us are lawful, that forwarding companies have been set up as a means of bypassing the intent of the act. For, you can see by the charges made to us, that we, the consignee, certainly have not benefitted by the services of a forwarding company, but that they have rather served as a detriment to us, inasmuch as we have paid more by using their services than if they had been left completely out of the picture.

It further appears to us that merchandise consigned in carload lots to a forwarding company for distribution to a predetermined consignee is interstate in character from the time it leaves the jurisdiction of the shipper until it is delivered to the final consignee regardless of the number of hands that it passes through en route, providing, of course, that the shipment crosses State boundaries. And as such, it appears that the shipment should be under the jurisdiction of the Interstate Commerce Commission until it reaches such final consignee.

Judging from the statement in your letter that the rates of forwarding companies are not required by law to be the same as other transportation agencies, it would appear that forwarding companies are not considered to be under the jurisdiction of the Commission. If this is true, it is high time that this situation was remedied either by action of the Commission itself if within its jurisdiction, or by act of Congress, if necessary.

It has always been our belief, and we feel that it is the belief of all small merchants that the Interstate Commerce Commission was established to prevent excessive freight charges for the handling of goods and to protect the public from violations of regulations established by such Commission.

If the Commission is powerless to regulate these various forwarding agencies, this fact should be known by the businessman in order that proper legislation may be enacted to place them under regulation or if legislation covering same is impractical, they should know the facts so that they could specify the manner in which their merchandise should be shipped, and thereby eliminate what appears to be a parasitical organization by taking away its source of revenue through designation of more economical means of transportation.

If my assumption is correct that the Commission does not have jurisdiction in such matters, will you please cite to me the pertinent portions of the law and the Commission's line of reasoning in regard to same in order that I may have a working knowledge of the condition as it exists, and may also be in a better position to know how to proceed from here.

I hope that you will realize that I am not intending to be argumentative, nor am I trying to find fault just for the purpose of finding fault—I have too much to do in my own business to find time for that. I realize, too, that the amount of the overcharge we experienced would not compensate for the time and expense of writing any one of the letters which I have written in regard to this matter if we were able to recover the amount of such overcharges.

However, I know that if we found excessive charges to the extent that we have on the few shipments that forwarding companies have handled for us that the amount of money they collect over a period of a year for charges in excess of that which would be charged if shipped by more direct means would run into the millions of dollars. And if I can save the businessman and the ultimate consuming public only a small portion of that I would feel well repaid and that I had rendered a service to the transportation companies and to the general public.

Thanking you very much for your kind cooperation, we are,

Very truly yours,
BEAUMONT VARIETY STORE,
By GLEN M. RUSSELL.

INTERSTATE COMMERCE COMMISSION,
OFFICE OF THE SECRETARY,
Washington, D. C., December 3, 1947.

Mr. GLEN M. RUSSELL,
Beaumont Variety Store, Beaumont, Calif.

DEAR SIR: This will acknowledge receipt of your letter of November 26, 1947, same having reference to the charges on a shipment of cotton underwear moving from Winston-Salem, N. C., to Beaumont, Calif.

You will note from the October 13, 1947, letter of Southern California Freight Forwarders, that it received the shipment from Freight Transport Co., a local drayman and pool-car distributor in Los Angeles.

While part IV of the Interstate Commerce Act gives the Commission jurisdiction over freight forwarders, there are certain transportation services exempted from our jurisdiction by law, and for ready reference there are quoted paragraphs (b) and (c) of section 402 (8) of the act:

"(b) The provisions of this part shall not apply (1) to service performed by or under the direction of a cooperative association, as defined in the Agricultural Marketing Act, approved June 15, 1929, as amended, or by a federation of such cooperative associations, if such federation possesses no greater powers or purposes than cooperative associations so defined, or (2) where the property with respect to which service is performed consists of ordinary livestock, fish (including shellfish), agricultural commodities (not including manufactured products thereof), or used household goods, if the person performing such service engages in service subject to this part with respect to not more than one of the classifications of property above specified.

"(c) The provisions of this part shall not be construed to apply (1) to the operations of a shipper, or a group or association of

shippers, in consolidating or distributing freight for themselves or for the members thereof, on a nonprofit basis, for the purpose of securing the benefits of carload, truckload, or other volume rates, or (2) to the operations of a warehouseman or other shippers' agent, in consolidating or distributing pool cars, whose services and responsibilities to shippers in connection with such operations are confined to the terminal area in which such operations are performed."

You do not show specifically how the shipments moved from Winston-Salem. However, it appears that the matter complained of by you seems to resolve itself into the method used by your consignor in forwarding your merchandise. The consignor appears to have consolidated shipments for a number of purchasers in a pool car consigned to a pool-car distributor who adds a charge for his service in distributing this shipment to the various consignees. By referring to paragraph (c) above quoted, you will readily associate that the charges of the distributor are not within our jurisdiction.

As pointed out in our letter of November 21, 1947, it would appear that you should take up with your consignor the matter of how he should bill your merchandise if the present method results in charges in excess of those that would accrue if a different form of transportation were used.

It is suggested that you might contact the traffic officials of the carriers and forwarders who serve Beaumont, Calif., for the purpose of ascertaining rates in your shipments, and with this information before you, you can direct your consignor how to ship.

For your information and in connection with the comment upon the charges of freight forwarders, it is deemed proper to state that the nature and character of freight forwarders and their services are not precisely parallel with those of carriers subject to either part I, II, or III of the Interstate Commerce Act. Section 406 (d) requires the Commission in passing upon the lawfulness of rates and charges of freight forwarders to give due consideration, among other factors, to the inherent nature of freight forwarding. Prominent features of the forwarding business are the customary assembling and consolidating into carload or truckload lots of numerous shipments of merchandise from individual consignors; that the forwarder tenders the assembled and consolidated shipments to common carriers regulated under the act, including rail, highway, and water carriers, for transportation to break-bulk points, where the individual shipments are either distributed to the ultimate consignee for whom they are intended or are reshipped as less-than-carload or less-than-truckload shipments to consignees located at points beyond the break-bulk points.

If you at any time have any specific shipments with respect to which you believe that an improper charge has been assessed, you are at liberty to correspond with us relative thereto, such correspondence, however, should be supported by the transportation papers covering the shipment from the point of origin to the point of destination.

In the absence of information as to how the shipment moved from Winston-Salem, we are not in a position to verify the charges. You will accordingly appreciate that if your consignor insists upon the use of a pool car, there is, of course, nothing that we can do to aid you in that connection.

Respectfully,

G. W. LAIRD,
Acting Secretary.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. This arrangement, as I understand, has been in effect for 40 or 50 years. Now it is proposed, as I understand this bill, to continue it under the jurisdiction of the Interstate Commerce Commission; is that correct?

Mr. O'HARA. In part; yes, sir. If there is a monopolistic practice or if there is a conspiracy which would be in violation of the antitrust laws, suit now would be brought by the Attorney General. If we pass this bill the matter is referred to the Interstate Commerce Commission, and if the Interstate Commerce Commission ratifies what would be, without this bill, a violation of the antitrust laws, then, in my opinion, that ends the violation of law.

Mr. SMITH of Ohio. In effect, then, this gives power to the Interstate Commerce Commission to set aside what would otherwise be a violation of the antitrust acts.

Mr. O'HARA. That is right. That is my understanding. I do not think there is any dispute about it.

Mr. SMITH of Ohio. On what ground, I am wondering?

Mr. O'HARA. To immunize the railroads from the antitrust laws and bail some of them out of two serious lawsuits.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. O'HARA] has expired.

Mr. O'HARA. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include as a part of my remarks the letter referred to in the letter from the National Federation of Small Business.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BULWINKLE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Chairman, it is a very strained interpretation of the facts involved here to say the question is one of monopoly or antimonopoly. Let us look at the practical situation, the very practical one, that is presented by this bill.

There are over 200 railroads in the United States. There are thousands and thousands of stations. There are more than a billion railroad rates in the United States. Truckers, busses, water carriers, and freight forwarders are involved. Today a shipper can go down to the depot and deal with his carrier, practically the same as if all the railroads in the United States constituted but a single carrier agency. They are so closely coordinated in operations that their many contractual relations to each other permit the undisturbed traffic from road to road without substantial hindrance.

Ordinarily, rates are initiated by the carrier. Ordinarily, the Interstate Commerce Commission does not interfere until someone makes a complaint. It is impossible to have a policy by which the Interstate Commerce Commission must approve, in advance, all of these rates with the constant changes required.

The proposition here is not to create monopoly. It is a question of how we are going to protect the public where two or more carriers enter into an agreement. They must, of necessity, enter into many agreements. There is no other relation between business concerns in the United States that is so complicated and so vast in intercontractual relations as between the carriers of the country. They include the fixing of joint rates, of through rates, of division of charges, for the use of equipment, schedules, and hundreds of things that must be arranged by contracts between the carriers.

This bill does not take any jurisdiction from the Interstate Commerce Commission. In fact, that Commission already has jurisdiction of everything that is proposed in this bill. What this bill does is to say that before these contracts shall be binding they shall have the approval of the Interstate Commerce Commission, or else those who enter into the contracts will be subject to prosecution under the antitrust laws. In other words, we attempt to make the Interstate Commerce Commission the protector of these rates and agreements, to see that they are just and reasonable, instead of sending them to prosecution by the Department of Justice. What a crude system it would be in handling these agreements to say that it is a crime to make them. That is what the antitrust law says. The antitrust law does not say, "You shall prosecute because it is an unreasonable or an unjust agreement." A sufficient justification for a prosecution under the Antitrust Act is merely the fact that the agreement is made. No matter how reasonable or just or necessary the contract may be, it may be an offense against the antitrust law for those who enter into it. So here we say as to those essential contracts, matters that must be daily entered into by the railroads of the United States, "Before you get this protection from the antitrust laws, you must have the approval of the Interstate Commerce Commission." That Government agency has investigative powers to look into and decide whether the contract may be just or consistent with our transportation policies. In the exercise of that discretionary power of the Commission the public has its protection and the work of the carriers is facilitated. After the Commission gives its approval, those who enter into a useful contract are protected and not prosecuted. It gives protection in a practical and sane way. It gives the public greater protection than it possibly could have by any system which would constantly inject the Department of Justice into criminal prosecutions against those who have made what may be lawful and reasonable and necessary contracts.

The CHAIRMAN. The time of the gentleman from California [Mr. LEA] has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LEONARD W. HALL].

Mr. LEONARD W. HALL. Mr. Chairman, I rise in support of the bill.

The need for this legislation and the chaos which will result if this bill is not enacted into law are so well known that they do not have to be described in great detail here.

For many years the conference method of working out matters relating to freight rates and related rules and practices has been followed by carriers and shippers. Such conferences are carried on through the medium of freight and passenger associations or bureaus located in different parts of the country.

They have been systematized with the full knowledge of the Interstate Commerce Commission. Indeed, motor and water carriers, with the encouragement of the Commission, have adopted similar arrangements as those pertaining to railroads.

Such conferences are mandatory if common tariffs are to be issued by the railroads. During the early years of the country it may not have been necessary for expeditious shipment of goods to have such common tariffs, and each carrier published its own. But as the Nation developed it was not long until the need for common tariffs for all carriers became apparent.

With conferences operating as open forums, carriers and shippers are kept informed about matters in which they are mutually interested. Changes in rates, rules, or practices may be worked out through discussion after the proposals have been given publicity to interested parties. Thus, the highly complicated rate structure of our competitive system, with its many thousands of individual rates, may be reduced to some understandable system. Through rates with maximum choice of through routes are obtainable. Local rates of different carriers may be reasonably related to avoid undue discrimination.

Through recent actions by the Department of Justice under the antitrust laws, the conference method has been jeopardized. Without this legislation their continuance is problematical. The resulting confusion would be tremendous.

This bill permits the continuance of the conference method under proper safeguards. The Interstate Commerce Commission would be given the authority over the conferences, and the associations and bureaus under which they operate, which the Commission does not now have. The Commission's present authority to approve or disapprove changes in rates, and related rules and practices, would be extended to the same powers over the agreements governing the organization, operation, and procedure of these conference agencies.

Standards are set up under which the Commission may grant its approval to such agreements. Unless the agreements are so approved they would remain fully subject to the antitrust laws. If so approved, the agreements and actions taken thereunder come within the jurisdiction of the Commission instead of the Department of Justice.

The bill as proposed by our committee contemplates the restriction of the agreements which may be approved by the Commission to those pertaining to rates and related matters. There has been some discussion of whether operating and service agreements covering such matters as train schedules, diversion and reconsignment, ticket and baggage arrangements, use of terminal facilities interchange of equipment, and the like should be treated in the same manner. These matters our committee does not recommend be included in this legislation.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, I rise in support of this bill. Already this House has passed similar legislation twice, only to have it fail in other parts of the legislative process. Thus, the bill is not one of first impression in this legislative body.

If the principle in this legislation could be found objectionable by Members here, certainly the form in which it is here presented is as little subject to criticism as any of such bills hitherto receiving our approval.

Because by the committee amendment, the only matter upon which the railroads may agree is the matter of rates. Not schedules or services—but only rates. And such agreements are always to be under the control and supervision of the ICC.

In addition, this bill actually legitimizes procedures which have been carried on between the roads under the auspices and direction of the ICC. The legislation removes a paradox or dilemma which has been a part of our interstate-commerce law for a long time. On the one hand, the Commerce Commission is required to have the railroads to agree upon through and connecting rates. Such rates have been developed through rate conferences under the direct supervision of the ICC.

At the very same time, the Antitrust Division of the Justice Department had taken the position that all such agreements are illegal as in restraint of trade, and violative of the Sherman antitrust law. So there is illustrated the confusion and contradiction existing in this important segment of our transportation industry.

I sincerely hope and believe that this bill will have the overwhelming support of this legislative body, as it has on two previous votes.

Mr. BULWINKLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, I spent a great many days listening to the witnesses from all sections of this country who appeared before our committee during the course of the hearings on this bill. There were more than a hundred of these witnesses, as I recall it. Almost all of them were men who had spent their lives in dealing with the practical aspects of transportation and with governmental regulation of transportation.

Most of them were shippers—shippers of every conceivable commodity from and to every section of the Nation. Others were representatives of governmental regulatory bodies, Federal and State, and still others were representatives of all types of land transportation—truck, bus, rail, and water.

These are the people most directly concerned with transportation. These are the people who know the most about transportation. These are the people who will be most affected by the enactment of this bill or the failure to enact it. These are the people who will be helped or hurt and they are the ones who best know whether they will be helped or hurt.

And they are all in favor of the bill and insistent upon its passage, including shippers from my part of the country and from my own State.

It is unnecessary for me to emphasize the significance of support of this character, but I do wish to call attention to one feature which impresses me very deeply and which certainly will not be overlooked by the House.

Opponents of the bill have said that it would deprive someone of needed protection under the antitrust laws. In fact, this is the only argument which has been advanced against the bill. I have asked myself and I suggest that you ask yourself, Who would be deprived of any such needed protection?

Most assuredly, the shippers would not be deprived of any protection they need. If this were not true they would be against the bill, but they are for it, with an unexampled degree of unanimity. One shipper witness, whose business requires him to travel all over the country, said he had never found one shipper, large or small, who was not in favor of the bill. No shipper appeared before our committee against the bill.

If the shippers would not be deprived of any needed protection under the antitrust laws, who would be? Not the trucks—they want the bill. Not the busses; not the railroads, large or small—they all want the bill. Not the Interstate Commerce Commission, or the Office of Defense Transportation, or the State Commissions, or the Army and Navy officers who were in charge of transportation during the war—they all want the bill.

What I have said is enough to dispose of the only point which has been made against this legislation, but the question can be approached in a different way and the answer is the same.

Shippers do not rely upon the antitrust laws for protection against excessive or discriminatory rates and have no reason to do so. They have a much more effective and comprehensive protection under the Interstate Commerce Act. That act gives to a governmental body—an agency of the Congress itself, the Interstate Commerce Commission—complete control over the rates. The Commission has the power to fix, and does actually fix, not only the level of the rates but also the relationship between the rates. This is what distinguishes regulated transportation from other industry. In regulated transportation there is governmental price fixing. In other industries protection from excessive prices must come largely from the antitrust laws. There can be no doubt that in the field of regulated transportation the protection against excessive prices is far more complete than the protection which the antitrust laws afford in other fields of industry.

This bill would in no way impair the control of the Interstate Commerce Commission over the rates of carriers. It would leave the Commission with all the powers which it now has and, in fact, it would extend the control of the Commission and enable it to supervise the conference method of considering rates.

Rate relationships are of the greatest concern to my part of the country and it is essential to our growth and prosperity that we have transportation rates which are fairly related to transportation rates in other sections of the country. It is self-evident that the relationship of rates can be considered only in

conferences where all the railroads involved are represented and where all the interested shippers can be heard. This is possible only by the use of the conference method of considering rates. Moreover, we think that the Interstate Commerce Commission, a body having centralized authority and having responsibility for the effectuation of the Nation's transportation policy, is the only Government body in a position to fix rate relationships which are fair to all sections of the country.

Mr. Chairman, I am convinced, after a careful study of this legislation, with the amendment to be offered by the committee, that it is in the public interest and should be approved.

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GILLETTE].

Mr. GILLETTE. Mr. Chairman, the Bulwinkle bill defines the intent of Congress with respect to rate matters in the transportation industry—in my opinion, it is long overdue.

It is impossible for me to believe that common carriers by rail, highway, and water, violate the Antitrust Act when, acting either on their own responsibility, or pursuant to the specific requests of the Interstate Commerce Commission, the agency of this Congress, they consult and confer regarding the establishment of rates which will conform to the standards laid down in the Interstate Commerce Act and which will contribute to carrying out the congressional declaration of national transportation policy.

This feeling is concurred in by every witness that appeared before our committee from the State of Pennsylvania. For the information of my distinguished colleagues, the following witnesses from Pennsylvania gave their wholehearted support to this legislation:

Pennsylvania Public Service Commission.
Central Pennsylvania Traffic Club, Williamsport.
Manufacturers Traffic Club, of Lancaster, Pa.
Philadelphia Maritime Exchange.
Pittsburgh Region Chapter of Association of Interstate Commerce Commission Practitioners.
American Farm Bureau.
National Grange.
National League of Wholesale Fresh Fruit and Vegetable Distributors, Philadelphia branch.
National Council of Farmer Cooperatives.
Pennsylvania Association of Cooperative Organizations.
Pennsylvania State Council of Farm Organizations.
Philadelphia Produce Exchange.
Blairsville, Pa., Board of Trade.
DuBois, Pa., Board of Trade.
Easton, Pa., Board of Trade.
Lumbermen's Exchange of the City of Philadelphia.
Manufacturers Association of Delaware County, Chester, Pa.
National Association of Mutual Savings Banks.
Philadelphia Textile Manufacturers' Association.
Railroad Security Owners' Association.
Altoona, Pa., Chamber of Commerce.
Beaver, Pa., Businessmen's Association.
Bedford, Pa., Chamber of Commerce.
Berwick, Pa., Rotary Club.
Butler, Pa., Chamber of Commerce.
Carlisle, Pa., Chamber of Commerce.
Chamber of Commerce and Board of Trade of Philadelphia.
Chambersburg, Pa., Chamber of Commerce.
Columbia, Pa., Chamber of Commerce.
Commercial Exchange of Philadelphia.
Connellsville, Pa., Chamber of Commerce.
Corry, Pa., Chamber of Commerce.
Delaware County, Pa., Chamber of Commerce, Chester.
Ellwood City, Pa., Chamber of Commerce.
Gettysburg, Pa., Chamber of Commerce.
Greater Latrobe, Pa., Association.
Grove City, Pa., Commercial Club.
Harrisburg, Pa., Chamber of Commerce.
Huntington, Pa., Chamber of Commerce.
Lancaster, Pa., Chamber of Commerce.
Lansdale, Pa., Chamber of Commerce.
McKeesport, Pa., Chamber of Commerce.
Milton, Pa., Chamber of Commerce.
Monessen, Pa., Chamber of Commerce.
Monongahela, Pa., Chamber of Commerce.
Mount Carmel, Pa., Businessmen's Association.
Mount Carmel, Pa., Rotary Club.
Mount Pleasant, Pa., Civic and Business Association.
Northeast Philadelphia Chamber of Commerce.
Oakmont, Pa., Chamber of Commerce.
Pennsylvania State Chamber of Commerce.
Port Allegany Chamber of Commerce.
Pottstown, Pa., Chamber of Commerce.
Punxsutawney, Pa., Chamber of Commerce.
Quakertown, Pa., Chamber of Commerce.
Reading, Pa., Chamber of Commerce.
Renovo, Pa., Rotary Club.
Scottsdale, Pa., Community, Civic, and Industry Association, Inc.
Shamokin, Pa., Chamber of Commerce.
Shamokin, Pa., Rotary Club.
Somerset, Pa., Chamber of Commerce.
Sunbury, Pa., Chamber of Commerce.
Sunbury, Pa., Kiwanis Club.
Sunbury, Pa., Rotary Club.
Titusville, Pa., Chamber of Commerce.
Uniontown, Pa., Chamber of Commerce.
Vandergrift, Pa., Chamber of Commerce.
Warren, Pa., Chamber of Commerce.
Williamsport, Pa., Community Trade Association.
Williamsport, Pa., Rotary Club.
Windber, Pa., Businessmen's Assn.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, inasmuch as the Bulwinkle bill, H. R. 221, has previously been considered and approved by the House, I will not take the time of the House to discuss its provisions. Certainly we can all agree that Congress should not and cannot successfully determine the rates to be charged by our various railroads. We have wisely delegated that power to the Interstate Commerce Commission.

Based on the testimony presented to the House Interstate and Foreign Commerce Committee the overwhelming majority of shippers seem to feel that the Interstate Commerce Commission has done a good job.

All we are trying to do in this bill is to permit railroads, freight handlers, and so forth, to meet and discuss matters of rates, division of fares, and similar subjects without making themselves liable for prosecution under the antitrust laws. Certainly we are not granting immunity to the railroads.

The need for this legislation has been clearly proven and I hope it becomes law at the earliest possible date.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, I have the honor of representing a congressional district located in the largest railroad center in the world, Chicago, Ill. In all probability the mail and telegrams I have received regarding H. R. 221 would be about the same as received by other Members of the House of Representatives. I only received one letter in opposition to this legislation.

The following excerpts from a few of the letters and telegrams are typical of the contents of most of the communications received by me:

Regarding H. R. 221, known as the Bulwinkle bill, feel that passage of this act will definitely benefit the shipping public. It seems to us that the rate-making feature of this act is especially important, and will assure shippers in general the fairest possible means of determining freight rates that are fair, reasonable, and for the common good of the entire Nation.

There is now pending before the House of Representatives the so-called Bulwinkle bill—H. R. 221—which I understand is coming up for consideration before the House very soon, and which if enacted, would remove any doubt with respect to the legality of and permit the continuation of the practices which have been carried on by the railroads for many years of maintaining joint freight rate bureaus for the purpose of docketing all proposed changes in freight rates and freight tariff rules and regulations so that all interested shippers and receivers would be afforded an opportunity to appear at public hearings before such bureaus for the purpose of expressing their views with respect to the proposals involved, and so that joint consideration could be given to such proposals by the railroads involved.

A bill containing somewhat the same provisions was passed by the United States Senate on June 18, 1947, by a vote of 60 to 27.

The Midwest Shippers Advisory Board is a voluntary organization composed of approximately 2,000 representatives of shippers and receivers of freight located within the States of Illinois, Wisconsin, Iowa and the western half of Indiana and the Upper Peninsula of Michigan. At one of the regular meetings of the board, the members present went on record in favor of the passage of H. R. 221, and authorized me to advise you of their action.

Urge you support Bulwinkle bill H. R. 221 clarifying status of rate-making bureaus. Our company operates 150 moving vans over entire United States. Party to household goods carriers bureau tariff since 1935. Conference method of rate making demonstrated and proven to be best method of preserving stability of the moving industry which Motor

Carrier Act and national transportation policy was designed to accomplish in interests of the public and industry.

One of the bills pending before the House of Representatives is the so-called Reed-Bulwinkle bill, H. R. 221. As you know, the purpose of this bill is to exempt from the Sherman Act railroad activities which are subject to regulation by the Interstate Commerce Commission.

The whole purpose of the Interstate Commerce Commission has been that rates should be fixed by public authorities and not be subject to the vicissitudes of unregulated competition. That cannot be done as long as the railroads remain subject to the Sherman Act. Indeed, no one supposed that the railroads were subject to the Sherman Act until the Antitrust Division evolved this idea a short time ago. We believe that doubt should be dispelled and the railroads placed unreservedly under the authority of the Interstate Commerce Commission.

Understand Bulwinkle bill, H. R. 221, will be considered tomorrow. Chicago Association of Commerce and Industry board of directors believing preservation of present freight rate-making procedure is desirable and that law eliminating conflict of jurisdiction between Interstate Commerce Commission and Antitrust Division of Department of Justice is necessary.

The Illinois Commerce Commission on November 28, 1945, adopted a resolution, copy of which is enclosed, endorsing the principle of the Bulwinkle bill (H. R. 2536) then pending in the Seventy-ninth Congress. Inasmuch as the Reed bill (S. 110) which passed the Senate June 18, 1947, by a vote of 60 to 27, now pending in the House in the Committee on Interstate and Foreign Commerce, embodies the principles endorsed by the Illinois Commerce Commission in its resolution of November 28, 1945, I am sending to you a copy of the resolution.

"STATE OF ILLINOIS,
"ILLINOIS COMMERCE COMMISSION.

"Whereas in the opinion of the Illinois Commerce Commission it is essential for orderly supervision and regulation of rates and transportation for common carriers in interstate and foreign commerce to confer and pool their experiences and conclusions and determine as most advantageous to them, the general public, and the shippers and receivers of merchandise the most fair, practical, and efficient rates, routes, schedules, services, and agreements for application under published tariffs, subject to the approval of the Interstate Commerce Commission, without restraining or regulating influence of other Federal agencies not qualified to appreciate either the basic facts or the controlling reasons for the coordinated actions; and

"Whereas it appears the accepted view has been that when Congress vests supervisory power in a commission or other duly constituted body to exercise granted powers of sovereignty, such body in matters over which it has authority should have jurisdiction intended for a final adjudication, subject to court review, in matters of law or abuse of discretion; and

"Whereas it further appears that either before such final adjudication a court as an independent agency of Government can intervene, or the Justice Department of the United States can invoke the rule that the joint action committees and rate bureaus or railroads or common carriers in evolving joint tariffs, rules, regulations, schedules, service, and agreements are basically conspiratory in nature and hence violative of the Sherman antitrust law; and

"Whereas the Bulwinkle bill, so-called, H. R. 2536, now pending in Congress, purports to make legal the acts and agreements among carriers setting up rate bureaus, joint tariffs, and schedules of service, subject to the approval of the Interstate Commerce Commission, and expressly exempts such coordinating rate bureaus, and committees so functioning and agreements consummated thereunder from the provisions of the Sherman Antitrust Act: Therefore be it

"*Resolved*, That the Illinois Commerce Commission endorse the principle of the Bulwinkle bill, H. R. 2536, with favorable action recommended on the amendments of the Dr. Splawn committee of the Interstate Commerce Commission to the end that agreements among common carriers may be entered into following the tenor of said act or bill without fear of violation of the said Sherman Antitrust Act, and that the Interstate Commerce Commission may have unquestioned finality in adjudication as to the propriety and sufficiency of such agreements, subject to court review in matters of law, resulting in the continuance of a competitive service consistent with the public interest and a sane national transportation policy; and be it further

"*Resolved*, That a copy of this resolution be transmitted to the Committee on Interstate and Foreign Commerce in Washington, and that a copy be transmitted to the Senators and Representatives from Illinois in Congress.

"This resolution adopted at Chicago, Ill., this 28th day of November 1945.

"JOSEPH F. GUBBINS,
"Secretary."

Mr. Chairman, it should be noted that I did not receive a single telegram from a railroad or railroad association, but every communication was from individuals and concerns that are users of transportation, including truck lines. In other words, the people who use the service that is made available by the motor and rail carriers; the people who, in the final analysis pay the freight, are as wholeheartedly for this legislation as are the railroads.

The legislation now under discussion should contribute much to the orderly process of considering rates. The rate conference in the hands of experienced people, who deal with the business of transportation every day of their lives, should, and I believe will, contribute much under the authority of this legislation toward stability in rate making. Without this legislation giving legislative authority to rate conferences it would be very easy to bring about a condition of confusion and chaos, particularly in view of some of the present tactics being used by the Attorney General.

The passage of this bill would do much toward improving the progress of our transportation systems in the United States, which are so essential to development of a sound and stable economy, and which played such an important part in transporting our troops and materials during the recent war.

I strongly favor this legislation and trust it will receive an overwhelming vote of confidence.

Mr. BULWINKLE. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, recently this House has voted billions of dollars for aiding and rehabilitating the countries of Europe. That was needed and in that effort I took a part and commend those who took the lead in this important endeavor. A short while ago—today—the House voted to deny to the people of the South one steam plant costing only $4,000,000. I am unable to reconcile the voting of billions for the rehabilitation and progress of the people of Europe and the denying of a small appropriation request for one section of our country when it would benefit them and all the people of America. The private power interests won out in the fight. Today the next bill that is brought up on the calendar for passage is a measure to relax the antitrust laws and to permit the railroad monopolies to get together and fix prices—to fix the rates—the tariffs which the people pay. I am fundamentally opposed to the relaxing of our antitrust laws but believe, on the other hand, that they should be strengthened and enforced. I am opposed to combinations and conspiracies and the fixing of prices in restraint of trade and against the interest of the people of our country. The antitrust laws which have been on the statute books for a number of years were enacted into law because of their need and necessity. These laws state in substance that all contracts, all combinations in restraint of trade are illegal. These laws prohibit monopolies and the fixing of prices against the public interest. During the growth of railroad empires in this country in the early part of the century practices grew up which necessitated the passage of the antitrust laws in the public interest. Now we come along and relax these laws to permit the railroad executives to get together around a table and to fix prices. Of course, they say subject to approval of the Interstate Commerce Commission. But why pass this law at all because the Interstate Commerce Commission already has authority to regulate the rates, the freight and tariff which the railroads charge the public. There is special interest behind tihs legislation or it would not be here for consideration today. It is not, I submit, Mr. Chairman, in the public interest.

To repeat, we vote billions for rehabilitation of Europe and then deny a modest request of the people of one section of our country because the private power interests oppose it. Next the railroad monopolies ask for special legislation. There is also pending, as the Members of this Congress know, a measure to give special benefits to the gas utilities in the West and Southwest.

Mr. Chairman, I raise only a humble voice and I recognize that the House being constituted as it is that this legislation will pass, but I honestly and sincerely believe that it is fundamentally wrong and that this Congress will be taking an improper step in favoring the railroad monopolies by relaxing the antitrust laws rather than strengthening these laws and enforcing them in the interest of the people of our country.

The so-called Bulwinkle bill has been pending for a long time. The railroad interests have waited for the opportune moment to secure its passage. This legislation should not be passed and as I have said, Mr. Chairman, I raise my humble voice in protest.

Mr. BULWINKLE. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. HARLESS].

Mr. HARLESS of Arizona. Mr. Chairman, I am satisfied that this is good legislation. As a member of the Committee on Interstate and Foreign Commerce I

have heard powerful and convincing arguments in support of this bill. In addition to that fact, this bill bears the endorsement of a large cross section of the interested people of my State. These include Arizona Wool Growers Association, Arizona Cattle Growers Association, Arizona Vegetable Growers Association, Arizona State Corporation Commission, Salt River Valley Water Users Association, Central Arizona Cattle Feeders Association, Yuma County Chamber of Commerce, Douglas Chamber of Commerce, Bisbee Chamber of Commerce, Santa Cruz County Chamber of Commerce, and Flagstaff Chamber of Commerce.

In addition to these groups many individuals in my State endorse or have testified for this bill, including A. C. Hays, of Phoenix, who testified as State legislative representative of the Order of Railway Conductors.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. FOOTE].

Mr. FOOTE. Mr. Chairman, I rise in support of the pending bill.

Mr. Chairman, this bill, H. R. 221, deals with the application of the antitrust laws to railroads subject to the regulation of the Interstate Commerce Commission. It does not grant railroads immunity from antitrust laws or relieve them from the application thereof. It seeks to dispel the uncertainty and confusion which has arisen during recent years in the application of the antitrust laws to regulated transportation, and to provide a practical method for reconciling two great policies of Congress, namely, the National Transportation Act and the policy of the antitrust laws so that the objective of both can be obtained. This legislation provides a means of drawing a line of demarcation between collaboration and collective action between carriers which is permissible and that which is not. I understand it is identical to a bill passed by the House in the Seventy-ninth Congress, and that the Senate Interstate and Foreign Commerce Committee reported it favorably, but that the bill was lost in the legislative jam in the closing days of the session of the Seventy-ninth Congress. I understand this bill has the approval of railroads, truck and bus interests, and water carriers, as well as the United States Chamber of Commerce, and chambers of commerce throughout the country, and numerous associations of farmers and livestock growers including the National Grange and the Farm Bureau Federation. The Connecticut Public Utilities Commission passed a resolution in 1945 recommending the passage of this legislation. No opposition has been presented to me by anyone to this proposed legislation except by one or two chronic objectors. This legislation is not going to increase the burden of the taxpayers, nor will it prejudice their rights. This legislation is important to railroads and other common carriers, and everyone fully realizes that they are important to the welfare of the country.

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, obviously it is necessary for the carriers of our country to make agreements with each other on joint rates and other charges and services that are performed by the carriers. If this bill is not passed they will not be able to make such agreements except in violation of the antitrust laws. It is necessary that such agreements be made and that they be approved by a competent jurisdiction, which is the Interstate Commerce Commission.

If the bill is not passed chaos will result absolutely in the transportation industry of the United States. I shall support the bill as I have in the past.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Interstate Commerce Act, as amended, is amended by adding after section 5 thereof a new section, as follows:

"SEC. 5a. (1) For purposes of this section—

"(A) The term 'carrier' means any common carrier subject to part I, II, or III, or any freight forwarder subject to part IV, of this Act; and

"(B) The term 'antitrust laws' has the meaning assigned to such term in section 1 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914.

"(2) Any carrier party to an agreement between or among two or more carriers may, under such rules and regulations as the Commission may prescribe, apply to the Commission for approval of the agreement, and the Commission shall by order approve any such agreement (if approval thereof is not prohibited by paragraph (3), (4), or (5), if it finds that, by reason of furtherance of the national transportation policy declared in this act, the relief provided in paragraph (8) should apply with respect to the making and carrying out of such agreement; otherwise the application shall be denied. The approval of the Commission shall be granted only upon such terms and conditions as the Commission may prescribe as necessary to enable it to grant its approval in accordance with the standard above set forth in this paragraph.

"(3) The Commission shall not approve under this section any agreement between or among carriers of different classes unless it finds that such agreement is limited to matters relating to transportation under joint rates or over through routes; and for purposes of this paragraph carriers by railroad, express companies, and sleeping-car companies are carriers of one class; pipeline companies are carriers of one class; carriers by motor vehicle are carriers of one class; carriers by water are carriers of one class; and freight forwarders are carriers of one class.

"(4) The Commission shall not approve under this section any agreement which it finds is an agreement for a pooling, division, consolidation, merger, purchase, lease, acquisition, or other transaction, to which section 5 of this act is applicable.

"(5) The Commission shall not approve under this section any agreement which establishes a procedure for the determination of any matter through joint consideration unless it finds that under the agreement opportunity to act contrary to the determination arrived at through such procedure is afforded to each party to the agreement which did not concur in such determination.

"(6) The Commission is authorized, upon complaint or upon its own initiative without complaint, to investigate and determine whether any agreement previously approved by it under this section, or terms and conditions upon which such approval was granted, is not or are not in conformity with the standard set forth in paragraph (2), or whether any such terms and conditions are not necessary for purposes of conformity with such standard, and after such investigation, the Commission shall by order terminate or modify its approval of such agreement if it finds such action necessary to insure conformity with such standard, and shall modify the terms and conditions upon which such approval was granted to the extent it finds necessary to insure conformity with such standard or to the extent to which it finds such terms and conditions not necessary to insure such conformity. The effective date of any order terminating or modifying approval, or modifying terms and conditions, shall be postponed for such period as the Commission determines to be reasonably necessary to avoid undue hardship.

"(7) No order shall be entered under this section except after interested parties have been afforded reasonable opportunity for hearing.

"(8) Parties to any agreement approved by the Commission under this section and other persons are, if the approval of such agreement is not prohibited by paragraph (3), (4), or (5), hereby relieved from the operation of the antitrust laws with respect to the making of such agreement, and with respect to the carrying out of such agreement in conformity with its provisions and in conformity with the terms and conditions prescribed by the Commission.

"(9) Any action of the Commission under this section in approving an agreement, or in denying an application for such approval, or in terminating or modifying its approval of an agreement, or in prescribing the terms and conditions upon which its approval is to be granted, or in modifying such terms and conditions, shall be construed as having effect solely with reference to the applicability of the relief provisions of paragraph (8)."

With the following committee amendments:

Page 2, in lines 8 and 9, strike out "(3), (4), or (5)" and insert "(4), (5), or (6)"; and in line 11, strike out "(8)" and insert "(9)"; and after line 17, insert the following paragraph:

"(3) Each conference, bureau, committee, or other organization established or continued pursuant to any agreement approved by the Commission under the provisions of this section shall maintain such accounts, records, files, and memoranda and shall submit to the Commission such reports, as may be prescribed by the Commission, and all such accounts, records, files, and memoranda shall be subject to inspection by the Commission or its duly authorized representatives."

Page 2, line 18, strike out "(3)" and insert "(4)."

Page 3, line 3, strike out "(4)" and insert "(5)."

Page 3, line 8, strike out "(5)" and insert "(6)."

Page 3, line 15, strike out "(6)" and insert "(7)."

Page 4, line 9, strike out "(7)" and insert "(8)."

Page 4, line 12, strike out "(8)" and insert "(9)"; and in line 15, strike out "(3), (4), or (5)" and insert "(4), (5), or (6)."

Page 4, line 21, strike out "(9)" and insert "(10)"; and in line 3, on page 5, strike out "(8)" and insert "(9)."

The committee amendments were agreed to.

Mr. WOLVERTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLVERTON: Page 2, line 7, after the word "carriers", insert the following: "relating to rates, fares, classifications, divisions, allowances, or charges (including charges between carriers and com-

pensation paid or received for the use of facilites and equipment), or rules and regulations pertaining thereto, or procedures for the joint consideration, initiation, or establishment thereof."

Mr. BULWINKLE. Mr. Chairman, I submit the amendment for the approval of the House.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, after examining this bill, H. R. 221, I am convinced its passage will be in the public interest, and accordingly shall support it.

Mr. WOLVERTON. Mr. Chairman, I was under the impression that the gentleman from North Carolina [Mr. BULWINKLE] would advise the House of the fact that this amendment was adopted by the committee since the bill was reported. It has, so far as I know, the unanimous consent of the committee. I do not know of anybody who would object to the provisions of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BULWINKLE].

The amendment was agreed to.

Mr. WOLVERTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLVERTON: On page 3, line 7, after the word "agreement" insert "is of the character described in paragraph (2) of this section and."

Mr. WOLVERTON. Mr. Chairman, this amendment is of a clarifying nature. I have consulted with the members of the committee, and it has their approval.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WOLVERTON].

The amendment was agreed to.

Mr. WOLVERTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLVERTON: Page 3, line 23, strike out the words beginning with the word "opportunity" down through the word "determination" in line 2 on page 4 and insert "There is accorded to each party the free and unrestrained right to take independent action either before or after any determination arrived at through such procedure."

Mr. WOLVERTON. Mr. Chairman, this amendment is also of a clarifying character that changes the bill in a slight particular but not in a way that is considered objectionable. It has had the consideration of the members of the committee here on the floor today and it meets with their approval.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WOLVERTON].

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 3, lines 16, 17, and 18, strike out the words "for a pooling, division, consolidation, merger, purchase, lease, acquisition, or other" and insert in lieu thereof "with respect to a pooling, division, or other matter or."

Mr. LEA. Mr. Chairman, I understand this amendment is satisfactory to the chairman of the committee. It simply clarifies and makes definite this provision to conform with the amendment already adopted.

Mr. WOLVERTON. Mr. Chairman, the amendment offered by the gentleman from California has been considered by the members of the committee here on the floor today and there is no objection to it. It is of a clarifying nature.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The amendment was agreed to.

Mr. O'HARA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA: On page 5, add a new paragraph to amend paragraph (11) of section 5 (a) to read as follows:

"(11) The enactment of this section shall not—

"(a) deprive the Supreme Court of jurisdiction to hear and determine the case of *Georgia* v. *Pennsylvania Railroad Co. et al.*, Docket No. 11 (original), October term, 1945, or deprive the United States District Court for the District of Nebraska, Lincoln Division, or any court to which an appeal may be taken, of jurisdiction to hear and determine the case of *United States of America* v. *The Association of American Railroads et al.*, Civil No. 246, or any proceedings for the enforcement of the provisions of any decrees entered in such suits;

"(b) change any principle of substantive or procedural law otherwise applicable in the determination of such suits or proceedings, or deprive any party to such suits of any relief to which such parties would be entitled but for the enactment of this section; or

"(c) render lawful the performance of any past or future act which shall have been found by the courts in such suits or proceedings as it relates to the parties to such suits to be unlawful or which shall have been prohibited by the terms of any decrees entered therein or any supplements thereto or any modifications thereof."

Mr. McCORMACK. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill and relates to an entirely different subject matter than is incorporated in this bill. This is a bill to amend certain provisions of the Interstate Commerce Act. The amendment relates to cases pending in court, and relates to past or present action whereas the bill relates to future action. It certainly seems to me to be very remote from any provisions of the bill, and therefore is not germane.

Mr. O'HARA. Mr. Chairman, does the Chair desire to hear me on the point of order?

The CHAIRMAN. The Chair would be very glad to hear the gentleman from Minnesota.

Mr. O'HARA. Mr. Chairman, in the bill which passed the other body, the so-called Reed bill, there was a proviso exempting the so-colled Georgia case. There was nothing in that bill which referred to the so-called Western or Lincoln case, which is incorporated in my amendment. Obviously, however, the effect of this legislation, if passed, would be to make moot those two cases, which are in the process of trial and prosecution. In my view, it is obvious that in this legislation it is germane for the Congress to recognize and exempt those suits from this legislation. They pertain to the very same type of legislation, the antitrust law.

The CHAIRMAN (Mr. MACKINNON). The Chair is ready to rule.

The Chair is of the opinion that the amendment offered by the gentleman from Minnesota is germane, and overrules the point of order.

Mr. O'HARA. Mr. Chairman, my short statement to the Chair covers the situation as far as the amendment is concerned. If we are bailing out people against whom suits have been brought, if that is the purpose of this legislation, then I hope the Congress will say so by defeating this amendment. If we are concerned in bailing out people who have been prosecuted, then vote down the amendment.

There are two cases referred to in the amendment, one in which the great State of Georgia is involved and the other in which certain violations of the antitrust law are claimed. The first case is being tried by a master appointed by the Supreme Court of the United States.

The other case is now in court at Lincoln, Nebr., and has been in process of trial, I think, since 1944.

Mr. Chairman, the issue is a simple one. If the railroads are not guilty of any violations, then they have nothing to worry about, and this amendment does no harm. If they are in a position where they have committed acts which are in violation of the Sherman-Clayton antitrust laws, then I think they should be treated the same as any other citizen, and they should pay the penalty that the court decides they should pay. Even though you may feel this legislation is necessary, and your views may be different from mine, so far as future acts under the antitrust laws and the right of the Attorney General to prosecute, if you feel that should be removed, I sincerely hope you will vote for my amendment because I believe it is a good amendment.

Mr. COMBS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this amendment points up just what the enactment of this bill would do. It would take from the courts of this country the right to review railroad rates which rankly discriminate, either against other forms of carriers or against sections of our country. Governor Arnall of Georgia fought a hard fight before the Supreme Court of the United States to determine the right, and he did establish the right of States to protest in the courts of their country against rank discrimination against them. Since that suit was determined by our Supreme Court, the Interstate Commerce Commission at long last got around to compelling a partial correction of rates that for years have tended to keep certain sections of our country, including my own, in economic slavery.

This bill we are to vote on would cut out from under the courts the right to determine and forbid discrimination which allows a differential in rates in one direction as against another or in favor of one section as against another in reaching certain markets of our country. The amendment offered by the gentleman from Minnesota would prevent that injustice by preserving full power and jurisdiction of the courts in the Georgia case.

Secondly, the other provision of the amendment with respect to the Lincoln, Nebr., suit is also needed. What is involved in that suit? The Attorney General charges in the Nebraska case 87 instances of unfair agreements between carriers which agreements are headed up at No. 40 Wall Street in New York, where two financial institutions together control the destinies of the railroads of this Nation. He charges that certain carriers bring pressure to bear from these financial interests which finance most all the railroads to deny their member carriers the right of applying for reduction in rates. It is charged that they have conspired to prevent modernization of railroad equipment. As part of that, they are using the very section of the Nation in which I live as a dumping ground for the outmoded equipment as they modernize other sections. Do you want a little proof of it? One of the most important transcontinental railroads in the Nation extends from New Orleans through my home city of Beaumont to Los Angeles, Calif. Go out and watch their best train, the Sunset Limited, pass. There is not a bit of modern equipment on it, from the headlight to the tail lights. We have railroads in Texas that have been forbidden by this group to modernize and they are using most cars in passenger service that were manufactured in 1890.

All we are asking by the gentleman's amendment is that, in these cases at least, we leave them to be determined on their merits by the courts. If you are going to exempt the railroads of the Nation from the antitrust laws and turn the country over to their agreements as proposed in this bill, at least we should permit the American people to see behind it in the courthouse at Lincoln, Nebr., and in the other case involving the Georgia suit. The findings in those suits will serve to show the American people what the antitrust laws protect them from. They can then see clearly what passage of this bil' will do in delivering them to the railroad monopoly.

I hope you will allow the courts to determine those cases. If you do not pass this amendment, you will knock those cases off the court records by enactment of this bill, and leave the American people no chance even to see what really lies behind exempting these carriers from the antitrust laws of our country. I cannot imagine a principle more vicious in this system of government than to say we will take the carriers or any other great group that operates as one, and say, "You shall no longer be subject to a law that is still on the statute books for the protection of the American people." I am unalterably opposed to this bill. I was among the 45 who voted against its passage in the Seventy-ninth Congress. I have not changed my mind. It is wrong in principle, and it will prove bad in practice.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBS] has expired.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey [Mr. WOLVERTON]?

Mr. LANHAM. Mr. Chairman, I object.

Mr. WOLVERTON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 3 minutes.

Mr. LANHAM. Mr. Chairman, I think we are entitled to be heard on this amendment.

The CHAIRMAN. The question is on the motion of the gentleman from New Jersey [Mr. WOLVERTON].

Mr. LANHAM. How is the time to be divided, Mr. Chairman?

The CHAIRMAN. There is no division of time stated in the motion.

The question is on the motion offered by the gentleman from New Jersey [Mr. WOLVERTON].

The question was taken; and the Chairman being in doubt, on a division there were—ayes 78, noes 32.

So the motion was agreed to.

Mr. LANHAM. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The count disclosed a quorum is present. The point of order is overruled.

Mr. LANHAM. Mr. Chairman, I ask for tellers.

Tellers were refused.

The CHAIRMAN. The gentleman from Ohio [Mr. CARSON] is recognized for 3 minutes.

Mr. CARSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. CARSON. Yes; I gladly yield.

Mr. RAYBURN. Mr. Chairman, it does not appear to me that, debate having been shut off in 3 minutes, when the gentleman from Georgia [Mr. LANHAM] was on his feet asking for recognition, it is fair to recognize the gentleman from Ohio for the entire time. It does seem to me that it would be only fair that the gentleman from Georgia would have half of the 3 minutes.

The CHAIRMAN. The Chair will hold that the gentleman from Ohio is recognized for 1½ minutes and the gentleman from Georgia, having been on his feet, will be recognized for 1½ minutes.

Mr. CARSON. Mr. Chairman, I stated a moment ago that the Georgia and Lincoln cases had nothing whatever to do with this legislation because it was introduced a long time before the cases were ever heard of. If anybody will read the bill and read it carefully, he will find definitely that there is nothing in this bill that will take away the jurisdiction of the Supreme Court to hear the facts in either case.

This bill does not attempt to deprive the Supreme Court of jurisdiction to hear and to determine the Georgia case. Whatever changes the bill may make in the substantive law applicable to rate conferences in the future, it does not impair or qualify in any way the plenary power of the Supreme Court to hear and to decide the Georgia case or the Lincoln case either. That is definite. It was argued in our committee. We had both those cases before our committee. We had the amendment of the Senate and we took it out of this bill because it was the unanimous decision of the members of the committee that it had nothing whatever to do with either of the cases and took no jurisdiction away from the Court.

The only thing we are trying to do is to make a construction of what arose in connection with these delegated powers. Confusion appeared in many of these cases, and if the statute is regarded as creating one rule of substantive law for the parties to the Georgia case and another rule of substantive law for everyone else, a grave question would arise as to its constitutionality. There would appear to be no reasonable basis for this kind of classification which might be regarded as so arbitrary and capricious as to violate the due process clause of the fifth amendment. To avoid this difficulty the courts might be induced to construe this language as meaning that there was to be no change in the general principles of substantive law for any purpose whatsoever. It might be argued that this broad construction of the language would virtually nullify the remainder of the act. We did not want that to happen.

There is enough chaos at the present time without putting more chaos into it. We are only trying to eliminate the confusion and uncertainty. No one is excluded. Anyone can come in as provided in section 8 of the bill:

> No order shall be entered under this section except after interested parties have been afforded reasonable opportunity for hearing.

I oppose the amendment.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The gentleman from Georgia [Mr. LANHAM] is recognized for 1½ minutes.

Mr. LANHAM. Mr. Chairman, since I am a new Member of Congress I have hesitated to speak in opposition to this bill, but I cannot sit still and see the work that our great State has done on behalf of the shippers of the South and the people of the South nullified by this legislation.

If what the gentleman from Ohio says is correct, then there can be absolutely no objection to this amendment, and I do hope that the House will adopt it. Nothing should be done to interfere with the case now pending filed by the State of Georgia seeking to end discrimination in rates against the South.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. O'HARA) there were—ayes 38; noes 97.

So the amendment was rejected.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. POAGE: Page 5, line 16, after the last paragraph insert a new paragraph to be numbered 12 as follows:
>
> "Nothing in this act shall apply to any rates which shall exceed the rates charged for like service in any other geographical area."

Mr. POAGE. Mr. Chairman, the amendment I have offered is a simple proposition, saying that if the railroads want the right to get together and fix rates for great areas that they should not discriminate against any section of

the country. If you want to perpetuate an unfair, discriminatory rate system that has been condemned by the Supreme Court, then vote against this amendment. But if you want to carry into effect the decision of the Supreme Court of the United States, if you are willing to do justice to all sections of the United States and wipe out the discriminatory territorial freight rate differential that has so long plagued this country, then vote for this amendment. All the amendment says is that the railroads cannot get the advantage that you are giving them of an exemption from the antitrust laws if they discriminate against somebody.

Many of the proponents of this legislation have suggested they were very anxious that the railroads be given this right to get together because, they say, you do not have to prove discrimination under existing laws. They say that under our antitrust laws all you have to do is to prove that they got together and worked in unison to establish uniform rates. That lets us believe that they would not support discrimination. So, now, I am saying that where the railroads have already established discriminatory rates, where they have already penalized three-quarters of the area of this great Nation and imposed upon your people and upon mine an unfair and a discriminatory system which our courts have condemned, which the very shippers who are urging you to pass this bill have condemned, that under these circumstances the railroads cannot take advantage of the exception to the antitrust laws that this bill gives them. It would require proof of discrimination, but when that proof was forthcoming it would deny further exemptions. It would at least limit the exemption this bill gives. It would say to the railroads, "We are not going to let you get together and agree upon a system of freight rates that will perpetuate that kind of unfair territorial differential in your rate system."

That is all there is to the amendment. If you want to perpetuate that system, you vote down the amendment; but if you plan to go home and tell your people that you are in favor of the same treatment for all, if you are going to tell your people that you do not want discrimination against the South and West, then vote for this amendment, because it will prohibit discrimination in freight rates based upon territorial differences. It says that as long as the service is the same the carriers shall give the same rates no matter in what part of our country the freight originates. If the carriers are going to be allowed to form these combinations which are violative of the antitrust laws that apply to others, they should at least refrain from discrimination. If you do not agree to this amendment then you have legalized for all time to come the discrimination in freight rates that has so long plagued this country.

I think the amendment is perfectly clear and I hope the Committee will answer the present unfair discrimination with a clear-cut vote for the amendment.

Mr. WOLVERTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas.

Mr. Chairman, I think a consideration of the amendment will lead any reasonable mind to the conclusion that this bill is not the proper vehicle for him or for this House to carry out the purpose embraced in his amendment. Congress is not, and I hope it never will become, a rate-fixing body. Congress, in its wisdom, has designated the Interstate Commerce Commission to be the rate-fixing body. It has been in existence since 1887. I do not know of any regulatory body of the Government that stands in higher repute than it does, and yet this amendment would seek in principle, at least, to take away from the ICC the right to pass on the question of rates and turn it over to the Congress upon the simple declaration of the gentleman from Texas that discriminatory rates exist. Certainly this House, which is called upon to vote upon this amendment at this time, has no evidence before it that would indicate that there is any justice or reason in what the gentleman has said in support of his amendment. If there be, it is not before this House. This House does not have sufficient facts, nor is it in a position to vote intelligently upon a question of rates, whether it deals with regions or otherwise unless and until it has before it all the pertinent facts. It would be a very great mistake for this House, by approving this amendment, to be a party to that which is sought by the gentleman from Texas.

Mr. PRESTON. Mr. Chairman, I move to strike out the last word.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PRESTON. Mr. Chairman, I hestitate to speak at this late hour, and I shall not use the 5 minutes. But, to the people who live in the southern part of the United States this matter is of vital importance. I do not know who inspired this legislation. I do not know who sponsored this legislation. I am not making any charges in that respect, but I will say this, gentlemen, that it was not until after Governor Arnall of Georgia waged the first successful fight against discriminatory freight rates in the South that this bill came forward, and every astute lawyer in the Southland branded the Bulwinkle bill at that time as an effort to get around the decision of the Supreme Court, which was in favor of the Southern States. I want to say to you that I cannot justify or cannot understand how anybody can justify why it is lawful to charge more to ship goods from the South to the North than it is to ship goods from the North to the South. If the manufacturers are entitled to ship cheaper from the Northern States into the Southern States, then I cannot agree with the distinguished gentleman who just said that the reputation of the Interstate Commerce Commission is above reproach. That is the body that has permitted this discrimination to exist. I shall not praise them today or any other day until they have laid down fair rates to the Southern States.

Although this amendment may be held by the lawyers not to be germane in this particular fight, it is germane to the extent that it will solve the problems in the Southern States. In the name of the Southern States I ask its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 40, noes 101.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MACKINNON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 221) to amend the Interstate Commerce Act with respect to certain agreements between carriers, pursuant to House Resolution 581, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. GOSSETT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GOSSETT. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GOSSETT moves to recommit the bill to the Committee on Interstate and Foreign Commerce.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. WOLVERTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 273, nays 53, not voting 105, as follows:

[Roll No. 60]

YEAS—273

Abbitt	Andrews, Ala.	Bakewell
Allen, Calif.	Angell	Banta
Allen, Ill.	Arends	Bates, Ky.
Allen, La.	Arnold	Bates, Mass.
Anderson, Calif.	Auchincloss	Bender

Bennett, Mich.	Graham	Morgan
Bennett, Mo.	Grant, Ala.	Morrison
Bishop	Grant, Ind.	Morton
Blackney	Gregory	Muhlenberg
Bland	Griffiths	Murdock
Bloom	Gross	Murray, Tenn.
Boggs, Del.	Gwinn, N. Y.	Murray, Wis.
Boggs, La.	Gwynne, Iowa	Nicholson
Bolton	Hagen	Nixon
Bonner	Hale	O'Konski
Bradley	Hall,	Owens
Bramblett	Edwin Arthur	Passman
Brehm	Hall,	Patterson
Brooks	Leonard W.	Peterson
Brophy	Halleck	Phillips, Calif.
Brown, Ohio	Hand	Phillips, Tenn.
Buck	Hardy	Ploeser
Buckley	Harless, Ariz.	Potts
Buffett	Harness, Ind.	Priest
Bulwinkle	Harris	Rains
Burke	Hart	Ramey
Burleson	Harvey	Rayburn
Busbey	Havenner	Reed, Ill.
Byrne, N. Y.	Hays	Reed, N. Y.
Byrnes, Wis.	Herter	Rees
Canfield	Heselton	Reeves
Carson	Hess	Regan
Case, N. J.	Hill	Rich
Chadwick	Hinshaw	Richards
Chapman	Hoeven	Riehlman
Chenoweth	Hoffman	Riley
Chiperfield	Holifield	Rizley
Church	Hope	Robertson
Clason	Horan	Rockwell
Clevenger	Javits	Rogers, Fla.
Coffin	Jenison	Rogers, Mass.
Cole, Kans.	Jenkins, Ohio	Ross
Cole, Mo.	Jennings	Russell
Cole, N. Y.	Jensen	Sadlak
Cooper	Johnson, Calif.	St. George
Corbett	Johnson, Ill.	Sanborn
Cotton	Johnson, Ind.	Sarbacher
Coudert	Jones, Ala.	Sasscer
Courtney	Jonkman	Schwabe, Mo.
Cravens	Judd	Schwabe, Okla.
Crawford	Kean	Scoblick
Crow	Kearns	Scrivner
Cunningham	Keating	Seely-Brown
Curtis	Keefe	Shafer
Dague	Kelley	Short
Davis, Tenn.	Kerr	Simpson, Ill.
Davis, Wis.	Kersten, Wis.	Smathers
Dawson, Utah	Kilburn	Smith, Kans.
Devitt	King	Smith, Maine
Dirksen	Knutson	Smith, Ohio
Dolliver	Latham	Smith, Va.
Domengeaux	Lea	Snyder
Dondero	LeCompte	Spence
Donohue	LeFevre	Stanley
Doughton	Lewis, Ky.	Stefan
Durham	Lewis, Ohio	Stevenson
Elliott	Lichtenwalter	Stockman
Ellsworth	Lodge	Sundstrom
Elsaesser	Lucas	Taber
Elston	Ludlow	Talle
Engel, Mich.	McConnell	Taylor
Fallon	McCormack	Teague
Fellows	McCowen	Thomas, Tex.
Fenton	McDonough	Thompson
Fisher	McDowell	Tibbott
Fletcher	McGarvey	Tollefson
Fogarty	McGregor	Towe
Foote	McMahon	Twyman
Fulton	McMillan, S. C.	Vail
Gamble	McMillen, Ill.	Van Zandt
Garmatz	MacKinnon	Vorys
Gary	Macy	Vursell
Gathings	Maloney	Wadsworth
Gavin	Manasco	Weichel
Gearhart	Martin, Iowa	Whittington
Gillette	Mathews	Wigglesworth
Gillie	Merrow	Wilson, Tex.
Goff	Meyer	Wolcott
Goodwin	Michener	Wolverton
Gordon	Miller, Conn.	Woodruff
Gore	Miller, Md.	Worley
Gorski	Mills	

NAYS—53

Abernethy	Folger	Morris
Albert	Gossett	O'Brien
Beckworth	Granger	O'Hara
Blatnik	Huber	Patman
Brown, Ga	Hull	Peden
Bryson	Isacson	Pickett
Camp	Jackson, Wash.	Poage
Cannon	Karsten, Mo.	Preston
Carroll	Kennedy	Price, Ill.
Colmer	Kilday	Rankin
Combs	Klein	Sadowski
Cooley	Lanham	Trimble
Davis, Ga.	Lesinski	Wheeler
Delaney	Madden	Whitten
Dingell	Mahon	Williams
Douglas	Mansfield	Winstead
Evins	Marcantonio	Wood
Feighan	Monroney	

NOT VOTING—105

Andersen, H. Carl	Hedrick	Nodar
Andresen, August H.	Heffernan	Norblad
Andrews, N. Y.	Hendricks	Norrell
Barden	Hobbs	Norton
Barrett	Holmes	O'Toole
Battle	Jackson, Calif.	Pace
Beall	Jarman	Pfeifer
Bell	Jenkins, Pa.	Philbin
Boykin	Johnson, Okla.	Plumley
Buchanan	Johnson, Tex.	Potter
Butler	Jones, N. C.	Poulson
Case, S. Dak.	Jones, Wash.	Powell
Celler	Kearney	Price, Fla.
Chelf	Kee	Redden
Clark	Kefauver	Rivers
Clippinger	Keogh	Rohrbough
Cox	Kirwan	Rooney
Crosser	Kunkel	Sabath
Dawson, Ill.	Landis	Scott, Hardie
Deane	Lane	Scott, Hugh D., Jr.
D'Ewart	Larcade	Sheppard
Dorn	Lemke	Sikes
Eaton	Love	Simpson, Pa.
Eberharter	Lusk	Smith, Wis.
Ellis	Lyle	Somers
Engle, Calif.	Lynch	Stigler
Fernandez	McCulloch	Stratton
Flannagan	Mack	Thomas, N. J.
Forand	Mason	Vinson
Fuller	Meade, Ky.	Walter
Gallagher	Meade, Md.	Welch
Harrison	Miller, Calif.	West
Hartley	Miller, Nebr.	Whitaker
Hébert	Mitchell	Wilson, Ind.
	Multer	Youngblood
	Mundt	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Simpson of Pennsylvania for, with Mr. Crosser against.

Mr. Harrison for, with Mr. Pace against.

Mr. D'Ewart for, with Mr. Deane against.

Mrs. Lusk for, with Mr. Kirwan against.

Mr. Chelf for, with Mr. Eberharter against.

Mr. Engle of California for, with Mr. Kefauver against.

Mr. Norrell for, with Mr. Sabath against.

Mr. McCulloch for, with Mr. Forand against.

Mr. Miller of Nebraska for, with Mr. Powell against.

Additional general pairs:

Mr. Norblad with Mr. Hedrick.

Mr. Beall with Mr. Keogh.

Mr. Andrews of New York with Mr. West.

Mr. Jenkins of Pennsylvania with Mr. Hébert.

Mr. Kunkel with Mr. Fernandez.

Mr. Eaton with Mr. Cox.

Mr. Mitchell with Mr. Larcade.

Mr. Nodar with Mr. Pfeifer.

Mr. Youngblood with Mr. Redden.

Mr. Thomas of New Jersey with Mr. Lane.

Mr. Hardie Scott with Mr. Philbin.

Mr. Potter with Mr. Flannagan.

Mr. Plumley with Mr. Barden.

Mr. Holmes with Mr. Lynch.

Mr. Case of South Dakota with Mr. Battle.

Mr. Fuller with Mr. Vinson.

Mr. Mundt with Mr. Walter.

Mr. Hugh D. Scott, Jr., with Mr. Rivers.

Mr. Jackson of California with Mr. Buchanan.

Mr. H. Carl Andersen with Mr. Rooney.

Mr. Clippinger with Mr. O'Toole.

Mr. Gallagher with Mr. Price of Florida.

Mr. Poulson with Mr. Heffernan.

Mr. Rohrbough with Mr. Johnson of Oklahoma.

Mr. Wilson of Indiana with Mr. Kee.

Mr. Mack with Mr. Hobbs.

Mr. Meade of Kentucky with Mr. Johnson of Texas.

Mr. Landis with Mr. Sheppard.

Mr. Kearney with Mr. Sikes.

Mr. August H. Andresen with Mr. Multer.

Mr. Ellis with Mr. Miller of California.

Mr. Hartley with Mr. Somers.

Mr. Mason with Mr. Dorn.

Mr. Jones of Washington with Mr. Celler.

Mr. Love with Mr. Stigler.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Interstate Commerce Act, as amended, is amended by adding after section 5 thereof a new section as follows:

SEC. 5a. (1) For purposes of this section—

"(A) The term 'carrier' means any common carrier subject to part I, II, or III, and shall include any freight forwarder subject to part IV, of this act; and

"(B) The term 'antitrust laws' has the meaning assigned to such term in section 1 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914.

"(2) Any carrier, party to an agreement between or among two or more carriers concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment, of rates, fares, charges (including charges as between carriers), classifications, divisions, allowances, time schedules, routes, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service, may, under such rules and regulations as the Commission may prescribe, apply to the Commission for approval of the agreement, and the Commission shall by order approve any such agreement (if approval thereof is not prohibited by paragraph (4), (5), or (6)) if it finds after public notice in the Federal Register and public hearing not less than 60 days thereafter that the object of the agreement is appropriate for the proper performance by the carriers of service to the public, that the agreement is not unjustly discriminatory as between shippers or geographical regions or areas, that it will not unduly restrain competition, and that it is consistent with the public interest as declared by Congress in the national transportation policy set forth in this act; otherwise the application shall be denied. The approval of the Commission shall be granted only upon such terms and conditions as the Commission may prescribe as necessary to insure compliance with the standards above set forth in this paragraph.

"(3) Each conference, bureau, committee, or other organization established or continued pursuant to any agreement approved by the Commission under the provisions of this section shall maintain such accounts, records, files, and memoranda and shall submit to the Commission such reports as may be prescribed by the Commission, and all such accounts, records, files, and memoranda shall be subject to inspection by the Commission or its duly authorized representatives. No bank or other financial institutions shall be a member of any such conference, bureau, committee, or other organization.

"(4) The Commission shall not approve under this section any agreement between or among carriers of different classes unless it finds that such agreement is limited to freight classifications, or to joint rates or through routes; and for purposes of this paragraph carriers by railroad, express com-

panies, and sleeping-car companies are carriers of one class; pipe-line companies are carriers of one class; carriers by motor vehicle are carriers of one class; carriers by water are carriers of one class; and freight forwarders are of another class.

"(5) The Commission shall not approve under this section any agreement which it finds is an agreement for a pooling, division, consolidation, merger, purchase, lease, acquisition, or other transaction, to which section 5 of this act is applicable.

"(6) The Commission shall not approve under this section any agreement which establishes a procedure for the determination of any matter through joint consideration unless it finds or by condition requires that under the agreement there is or shall be accorded to each party the free and unrestrained right to act contrary to and independently of the initial determination or report, or any subsequent determination or report, arrived at through such procedure, and unless it finds or by condition requires that all carriers of the same class (as defined in paragraph (4) of this section) within the territorial and organizational scope of such agreement shall be eligible to become and remain parties to the agreement upon application and payment of charges applicable to other parties of the same class. Nothing in this section and no approval of any agreement by the Commission under this section shall be so construed as in any manner to remove from the purview of the antitrust laws any restraint upon the right of independent action by any carrier by means of boycott, duress, or intimidation.

"(7) The Commission is authorized, upon complaint or upon its own initiative without complaint, to investigate and determine whether any agreement previously approved by it under this section, or terms and conditions upon which such approval was granted, is not or are not in conformity with the standards set forth in paragraph (2), or whether any such terms and conditions are not necessary for purposes of conformity with such standards, and, after such investigation, the Commission shall by order terminate or modify its approval of such agreement if it finds such action necessary to insure conformity with such standards, and shall modify the terms and conditions upon which such approval was granted and may impose additional terms and conditions to the extent it finds necessary to insure conformity with such standards or to the extent to which it finds such terms and conditions not necessary to insure such conformity. Any person, including the Attorney General of the United States, may make complaint to the Commission of any action taken under or pursuant to an agreement theretofore approved by the Commission and the Commission, upon such complaint or upon its own initiative, shall after hearing determine whether any such action is in conformity with such agreement and with the terms of the approval thereof by the Commission and is consistent with the standards above set forth and whether its approval of the agreement should be modified or terminated or additional terms or conditions be prescribed with respect to the particular action complained of. The effective date of any order terminating or modifying approval, or modifying terms and conditions, or prescribing terms or conditions, shall be postponed for such period as the Commission determines to be reasonably necessary to avoid undue hardship.

"(8) No order shall be entered under this section except after interested parties (including in all cases the Attorney General of the United States and interested State regulatory commissions or other authorities) have been afforded reasonable opportunity for hearing.

"(9) No agreement approved by the Commission under this section, and no conference or joint or concerted action pursuant to and in conformity with such agreement as the same may be conditioned by the Commission, shall be deemed to be a contract, combination, conspiracy, or monopoly in restraint of trade or commerce within the meaning of the antitrust laws: *Provided*, That the approval by the Commission of any agreement concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment of, time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any subsequent modification or amendment thereof or of any supplemental or other agreement made pursuant to any provision contained in the original approved agreement: *And provided further*, That the approval by the Commission of any agreement providing procedures for the consideration, initiation, or establishment of time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any joint or concerted action taken pursuant to any provision of such agreement.

"(10) Any action of the Commission under this section in approving an agreement, or in denying an application for such approval, or in terminating or modifying its approval of an agreement, or in prescribing the terms and conditions upon which its approval is to be granted, or in modifying such terms and conditions, shall be construed as having effect solely with reference to the applicability of the provisions of paragraph (9)."

"(11) The enactment of this section shall not—

"(a) deprive the Supreme Court of jurisdiction to hear and determine the case of *Georgia* v. *Pennsylvania Railroad Company, et al.*, Docket No. 11 (Original), October term, 1945, or any proceeding for the enforcement of the provisions of any decree entered in such suit;

"(b) change any principle of substantive or procedural law otherwise applicable in the determination of such suit or proceeding, or deprive any party to such suit of any relief to which such party would be entitled but for the enactment of this section; or

"(c) render lawful the performance of any past or future act which shall have been found by the Supreme Court in such suit or proceeding as it relates to the parties to such suit to be unlawful or which shall have been prohibited by the terms of any decree entered therein or any supplement thereto or any modification thereof."

Mr. WOLVERTON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLVERTON: Strike out all after the enacting clause and insert the provisions of the bill H. R. 221 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 221) was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a conference report on the bill S. 2287, the Reconstruction Finance Corporation bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include an article from the Evening Star.

Mr. KING asked and was given permission to extend his remarks in the RECORD.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and in each to include an editorial.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD and include a public-opinion poll recently taken in his district.

Mr. REES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1949

Mr. REES. Mr. Speaker, I was unavoidably away from the House floor for a brief period earlier this afternoon attending a conference with Government officials concerning matters under consideration in the committee of which I am chairman, when a vote was taken by the House on a motion to recommit H. R. 6481 to the Committee on Appropriations with certain amendments. Had I been present I would have voted against sending the bill back to the committee.

I do want to emphasize a thing that is being pointed out in the committee report, as well as by Members of the House with respect to the need of more controls of Government corporations. According to this report there were 19 Government-owned corporations in existence in 1921. Today there are 86 such corporations with total assets of more than $10,500,000,000, and with liabilities of approximately a similar amount. It is understood that a certain amount of expansion was required during the emergency and during the war period. I think it is time for Congress to look the situation over and determine whether some of these corporations may be reduced, or if found unnecessary, be eliminated. It would be interesting to know about the authority granted many of these Government organizations to carry on various types of business. What I mean to say is that it might be a good idea to sort of look them over, especially since investments are made from taxpayers' funds.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. THOMAS of New Jersey (at the request of Mr. SUNDSTRUM), for an indefinite period, on account of illness.

To Mr. D'EWART, from May 12 through May 18, on account of official business.

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. GILLIE] is recognized for 15 minutes.

FOOT-AND-MOUTH DISEASE

Mr. GILLIE. Mr. Speaker, for the past 18 months the United States has been in the unusual and uncomfortable position of having an outbreak of foot-and-mouth disease of livestock on a rampage within some 300 miles of our border. As every Member of this House knows, foot-and-mouth disease was reported in epidemic form in Mexico in December 1946.

It is still there. And it is going to be there for a long time yet to come.

It is the first time in history that we in the United States have found ourselves in this position—face to face with endemic foot-and-mouth disease on the North American Continent. There have been previous outbreaks on this continent, but they have been promptly suppressed and eradicated by the Spartan method of slaughtering and burying all diseased and exposed animals.

As you know, this was the method which was first tried in Mexico. For a number of reasons it did not succeed. I have reported at length to the House on that matter—Appendix to the CONGRESSIONAL RECORD, page A184—and I will not take the time of the Members to go over that ground again.

Suffice it for me to say that we were not able to eradicate the disease by the slaughter and burial method—and having failed in that attempt, our technicians adopted the only possible alternative, measures designed to hold the disease in check—to prevent its further spread particularly toward the United States—while ways were being devised and found to again undertake the business of eradication.

Since the early part of last December our forces, under the direction of the Bureau of Animal Industry of the Department of Agriculture, have been engaged in this holding action against the disease. The plan of that action, too, was fully discussed in the report to the House I have referred to. It was also set out clearly in the recommendations and report of the Foot-and-Mouth Disease Subcommittee of the Committee on Agriculture, which appeared in the Appendix to the CONGRESSIONAL RECORD, volume 93, part 13, page A4657.

With one important exception—which I will refer to in some detail in a few moments—the recommendations of that committee appear to have been substantially carried out.

I have recently returned from a trip to Texas and to northern Mexico which I made for the purpose of discussing with the cattlemen in that area the problems presented to this country by the presence of foot-and-mouth disease in Mexico—and to see for myself some of the things which are being done to solve that problem. My purpose in taking the time of the House today is to report to the Members briefly on what we saw and heard on that trip.

I was accompanied on that trip by members of the Foot-and-Mouth Disease Subcommittee on the Committee on Agriculture, by a representative of the Committee on Appropriations, and a representative of the Committee on Public Lands.

At this point, Mr. Speaker, may I digress for a moment to comment on the fine cooperation which the Committee on Agriculture has received from the other committees of the House—and from the membership in general—in its efforts to cope with this difficult and dangerous problem. The presence of the two representatives of other committees on this recent inspection trip is typical of the cooperation and assistance I am talking about. Throughout this whole business individual Members of the House and every committee in any way connected with the matter have taken the utmost pains to keep themselves as well informed as could be and have given prompt and sympathetic action whenever action was required.

I want to say, Mr. Speaker, that this cooperative attitude on the part of the House has been most encouraging to those of us who have been assigned some measure of responsibility in connection with this fight. And I am sure I speak for them when I say that it is also appreciated by the farmers and the cattlemen of this country, who are so much concerned about this disease.

On its recent trip, our committee held public meetings at Amarillo and El Paso, Tex. It discussed the problem of foot-and-mouth disease with many people—not only in those formal meetings, but in informal meetings in and about those two Texas cities, and in Juarez and Chihuahua, Mexico.

I think the main conclusion that could be drawn from the very many ideas, suggestions, and opinions we heard expressed is that there is no easy answer to the problem which faces us. Even down there, where the disease has now a much more threatening and intimate aspect than it has to most of us here—there were almost as many different ideas and suggestions advanced as to the best way of dealing with it as there were individuals to make suggestions.

Some proposals are obviously unworkable. It was seriously advocated by several speakers, for example, that the best course is to "get tough" with Mexico: To close the border, or threaten to close the border, to all commerce whatsoever until that country—by the use of whatever force might be required—takes positive steps to carry out the program of slaughter and burial.

Still other speakers—and at times the same ones who advanced the "get tough" idea—pointed out that our best present line of defense is made up of the cattlemen of northern Mexico—who through their own efforts and at their own expense are doing everything in their power to prevent the spread of foot-and-mouth disease northward into the still undiseased herds of northern Mexico.

Mexico depends heavily on the United States for almost all the things it uses in its day-to-day living. I was impressed to find a display of gardening tools, fertilizers, weed killers, insecticides, and all the usual spring display of things for the gardener, in the window of a hardware store in Chihuahua, Mexico—and every article in the window had been manufactured in the United States.

I am inclined to agree with those who believe that the friendship and cooperation of the cattlemen and other citizens of northern Mexico is one of the strongest weapons we have against the spread northward of this disease—and I am certain that a policy based on economic force is not the way in which to foster that friendship and cooperation.

Others suggested that the United States pour whatever money is necessary into a campaign to buy up all cattle and other susceptible animals in the infected zone of Mexico and destroy them—thus eliminating the disease. This was exactly what we undertook to do in the slaughter and burial program.

I cite these specific proposals merely as samples of the wide variety of ideas which suggest themselves as men deeply concerned with this problem try to work out some solution. There were a great many others.

If there was any consensus of opinion on the subject it was this: That there is nothing basically wrong with the program recommended by the foot-and-mouth disease subcommittee, and that in fact it offers the best available plan of proceeding against the disease—if that program is administered in a manner which will put it into operation effectively. This, I believe, is the position of the Texas and Southwestern Cattle Raisers' Association and of a number of informed cattlemen who talked to the committee.

These same persons are in almost unanimous agreement, however, that the program outlined by the committee and implemented by an international agreement between the United States and Mexico has not been administered as effectively and as energetically as it could be—and must be if it is to achieve its purpose of holding the disease in check and gradually moving in to eradicate it.

The men in our Bureau of Animal Industry are extremely competent—but they are competent veterinarians, scientists, and technicians—not business executives of outstanding ability. I am willing to trust their judgment completely in any matter having to do with the scientific and medical aspects of livestock diseases. But in my opinion, the qualifications required of the person directing our fight against foot-and-mouth disease are first of all that he shall be a top-flight executive.

Following its first trip to Mexico, in late June of last year, the committee which spent several days inspecting the campaign at close quarters urgently recommended that a man of outstanding executive ability and experience, one completely unfettered by bureaucratic red tape, be appointed to direct the campaign in Mexico.

Recommendations similar to that have been made repeatedly since that time by every commission, committee, or respon-

sible individual who has made any serious investigation of the program. Those who have independently urged on the Secretary of Agriculture that he appoint a top-flight executive from outside the Department to head this important work include his own advisory committee on foot-and-mouth disease and General Corlett, who was sent to Mexico by the Secretary as his special consultant and adviser on the subject.

In spite of all these recommendations—in spite of the unanimous agreement of everyone who has studied the problem that what is most needed in Mexico is an outstanding executive with a nongovernmental background.

I do not know why it has taken so long to secure action on this important matter. I do know that failure thus far to do so has been a disappointment to all of us concerned in this business, and I feel that it has had a serious effect on the program. I trust that the Mexican Government will give an immediate clearance when such an administrator is named.

We found a considerable amount of encouraging information on our trip. The cattlemen of northern Mexico are going ahead with their own efforts to keep foot-and-mouth disease south of the quarantine line, and they are making excellent progress in the construction of canning plants to take care of the cut-off cattle population of the northern Mexican states.

In their efforts to bolster the quarantine line and keep foot-and-mouth disease within the presently infected area, the cattlemen of northern Mexico are maintaining their own strict quarantines. They have state quarantines against the movement of any cattle or susceptable animals. With their own police forces they are backing up the official quarantine line to stop the northward movement of the disease.

At the same time, they are working on what they call a buffer pasture. This will be a strip 15 to 25 miles wide north of the official quarantine line from which all susceptible animals will be removed. The purpose of this buffer pasture is to set up a quarantine band that will stop the progress northward of the disease by confronting it with a zone in which there are no animals which can catch the disease.

This "buffer pasture" is being set up by the northern Mexican cattlemen and businessmen at their own expense. Their plan is to buy all the cattle, sheep, goats, and hogs in this zone and send them to market or move them into other pastures. It is to be emphasized that the animals in this zone have not been infected by the disease or exposed to it. All this activity is taking place in the clean area, where the disease has never penetrated.

I am not in a position to report now how extensively this plan is now being carried out but I am informed that some progress is being made. I hope that within the next 2 months the committee will be able to make a personal inspection of the quarantine line and the "buffer pasture" and bring the House an accurate report of those activities.

As the Members are aware, one of the serious problems brought about by the outbreak of foot-and-mouth disease is what to do with the disease-free cattle in northern Mexico. The normal market for those cattle is the United States. With the outbreak of the disease, the border was closed to cattle and that market was cut off. Cattle raising is the most important single industry of the northern Mexican States. Its permanent paralysis—as was threatened by the quarantine—threatened to ruin the whole economy of that area.

Several months ago the northern Mexican cattlemen and businessmen—working chiefly through the State cattle associations—undertook to solve the problem in some degree by building canning plants in order to process and dispose of their cattle.

Our committee visited two of these plants—one at Juarez and the other at Chihuahua City. The plant at Juarez is already in operation. It is a small plant, but quite modern in construction and equipment. The committee was favorably impressed by the manner in which this plant has been constructed and is being operated.

The plant at Chihuahua City is much larger. It will be just as modern and efficient as the most up-to-date knowledge and machinery can make it. It is being constructed under the supervision of American engineers experienced in the construction of packing and meat canning plants. It will be a combination packing and canning plant, with capacity for quick freezing and cooler storage.

These plants are typical of 9 or 10 such plants that are either already in production or are nearing completion in northern Mexico. I want to re-emphasize that these plants are being built by Mexican cattlemen and businessmen, with Mexican money. They are not being constructed by the United States, nor are we paying any part of their cost.

I was informed that when the plants now being constructed are in operation they will be able to take care of most of the cattle being produced in northern Mexico.

At the present time the canned meat produced there cannot be sold in the United States. It is in heavy demand for export purposes, however, and it is presumed that when the Mexican Government has established a meat-inspection service that can be certified by our Bureau of Animal Industry, their canned product will be permitted a market in the United States.

Returning to the subject of our direct fight against foot-and-mouth disease, it seems to me that our efforts must be continued along the lines we have been following.

First. We must hold the quarantine line and prevent the disease from coming any farther northward. Second. We must continue unrelentingly to eradicate the disease in areas south of the quarantine line as rapidly as this can be done. Third. And this is very important. We must get our research laboratories built and get our research under way as speedily as we can.

If we can hold the disease in check for a reasonable time, and in the meantime can push research on it with all speed, I have the greatest hope that we will be able to discover through science some effective means of removing this threat from our continent, and possibly from the world, altogether.

RACING SHELLS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5933) to permit the temporary free importation of racing shells, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. KNUTSON, REED of New York, WOODRUFF, DOUGHTON, and COOPER.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that my name be withdrawn from the list of conferees and the name of the gentleman from California [Mr. GEARHART] be substituted therefor.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3. An act to provide for the training of air-traffic control-tower operators; to the Committee on Interstate and Foreign Commerce.

S. 153. An act authorizing the Secretary of the Army to have prepared a replica of the Dade Monument for presentation to the State of Florida; to the Committee on Armed Services.

S. 668. An act for the relief of Philip Sumanpow; to the Committee on the Judiciary.

S. 1703. An act for the relief of Lorraine Burns Mullen; to the Committee on the Judiciary.

S. 1979. An act authorizing and directing the Fish and Wildlife Service of the Department of the Interior to undertake certain studies of the soft-shell and hard-shell clams; to the Committee on Merchant Marine and Fisheries.

S. 2060. An act for the relief of Edgar Wikner Percival; to the Committee on the Judiciary.

S. 2077. An act to authorize the Secretary of the Army to exchange certain property with the city of Kearney, Nebr.; to the Committee on Armed Services.

S. 2152. An act to increase the maximum travel allowance for railway postal clerks and substitute railway postal clerks; to the Committee on Post Office and Civil Service.

S. 2223. An act to authorize the promotion of Lt. Gen. Leslie Richard Groves to the permanent grade of major general, United States Army, and for other purposes; to the Committee on Armed Services.

S. 2224. An act to amend the Veterans' Preference Act of 1944 with respect to the priority rights of veterans entitled to 10-point preference under such act; to the Committee on Post Office and Civil Service.

S. 2233. An act to authorize the Secretary of the Navy to grant to the East Bay Municipal Utility District, an agency of the

State of California, an easement for the construction and operation of a water main in and under certain Government-owned lands comprising a part of the United States air station, Alameda, Calif.; to the Committee on Armed Services.

S. 2291. An act to authorize the Secretary of the Army or his duly authorized representative to quitclaim a perpetual easement over certain lands adjacent to the Fort Myers Army Airfield, Fla.; to the Committee on Armed Services.

S. 2432. An act to amend the Alien Registration Act of 1940; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 107. An act for the acquisition and maintenance of wildlife management and control areas in the State of California, and for other purposes;

H. R. 338. An act for the relief of Amin Bin Rejab;

H. R. 345. An act for the relief of Ollie McNeill and Ester B. McNeil;

H. R. 817. An act for the relief of Andres Quinones and Letty Perez;

H. R. 831. An act for the relief of George Chan;

H. R. 1022. An act for the relief of Peter Bednar, Francisca Bednar, Peter Walter Bednar, and William Joseph Bednar;

H. R. 1189. An act to establish the methods of advancement for post-office employees (rural carriers) in the field service;

H. R. 1392. An act for the relief of Mrs. Charlotte E. Harvey;

H. R. 1562. An act to increase temporarily the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States;

H. R. 1653. An act for the relief of Edward W. Bigger;

H. R. 1724. An act to legalize the admission to the United States of Sarah Jane Sanford Pansa;

H. R. 1749. An act to amend the act entitled "An Act for the relief of Johannes or John, Julia, Michael, William, and Anna Kostiuk";

H. R. 1953. An act for the relief of John F. Reeves;

H. R. 2000. An act for the relief of Jeffersonville Flood Control District, Jeffersonville, Ind., a municipal corporation;

H. R. 2418. An act for the relief of Luz Martin;

H. R. 3189. An act for the relief of Joe Parry, a minor;

H. R. 3224. An act for the relief of Frank and Maria Durante;

H. R. 3608. An act for the relief of Cristeta La-Madrid Angeles;

H. R. 3740. An act for the relief of Andrew Osiecimski Czapski;

H. R. 3787. An act for the relief of Mrs. Maria Smorczewska;

H. R. 3824. An act for the relief of Mrs. Cletus E. Todd (formerly Laura Estelle Ritter);

H. R. 3880. An act for the relief of Ludwig Pohoryles;

H. R. 3998. An act to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes;

H. R. 4018. An act authorizing the transfer of certain real property for wildlife, or other purposes;

H. R. 4050. An act to record the lawful admission to the United States for permanent residence of Moke Tcharoutcheff, Lucie Baptistine Tcharoutcheff, Raymonde Tcharoutcheff, and Robert Tcharoutcheff;

H. R. 4068. An act to authorize the Federal Works Administrator to construct a building for the General Accounting Office on square 518 in the District of Columbia, and for other purposes;

H. R. 4129. An act for the relief of Jerline Floyd Givens and the legal guardian of William Earl Searight, a minor;

H. R. 4130. An act for the relief of Dennis (Dionesio) Fernandez;

H. R. 4631. An act for the relief of Antonio Villani;

H. R. 5035. An act to authorize the attendance of the United States Marine Band at the Eighty-second National Encampment of the Grand Army of the Republic to be held in Grand Rapids, Mich., September 26 to 30, 1948;

H. R. 5118. An act to authorize the sale of certain individual Indian land on the Flathead Reservation to the State of Montana;

H. R. 5137. An act to amend the Immigration Act of 1924, as amended;

H. R. 5262. An act to authorize the sale of individual Indian lands acquired under the act of June 18, 1934, and under the act of June 26, 1936;

H. R. 5543. An act granting the consent of Congress to Carolina Power & Light Co., to construct, maintain, and operate a dam in the Lumber River;

H. R. 5651. An act authorizing the Secretary of the Interior to convey certain lands in South Dakota for municipal or public purposes;

H. R. 5805. An act to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; and

H. R. 5963. An act to authorize the construction of a courthouse to accommodate the United States Court of Appeals for the District of Columbia and the District Court of the United States for the District of Columbia, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on May 7, 1948 present to the President, for his approval, a bill of the House of the following title:

H. R. 6055. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 12, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1538. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated March 3, 1948, submitting a report, together with accompanying papers and an illustration, on a review of reports on the Mississippi River between the Missouri River and Minneapolis, for construction of a harbor at Davenport, Iowa, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on March 21, 1945 (H. Doc. No. 642); to the Committee on Public Works and ordered to be printed, with one illustration.

1539. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated February 19, 1948, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of, and a review of reports on rivers, lakes, and canals of central and southern Florida for flood control and other purposes, made pursuant to congressional authorizations (H. Doc. No. 643); to the Committee on Public Works and ordered to be printed, with five illustrations.

1540. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated March 22, 1948, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Pillar Point, Halfmoon Bay, San Mateo County, Calif., authorized by the River and Harbor Act, approved March 2, 1945 (H. Doc. No. 644); to the Committee on Public Works and ordered to be printed, with two illustrations.

1541. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated August 22, 1947, submitting a report, together with accompanying papers and one illustration, on a preliminary examination and survey of Mystic River, Mass., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 645); to the Committee on Public Works and ordered to be printed, with one illustration.

1542. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated February 12, 1948, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of channel at Charleston, South Slough, Oreg., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 646); to the Committee on Public Works and ordered to be printed, with one illustration.

1543. A letter from the Acting Secretary of the Navy transmitting a draft of a proposed bill to enhance further the security of the United States by preventing disclosures of information concerning the cryptographic systems and the communication intelligence activities of the United States; to the Committee on the Judiciary.

1544. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to provide for the removal of weeds from lands in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of Indiana: Committee on Appropriations. H. R. 6500. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 1906). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. House Joint Resolution 395. Joint resolution to extend the time for the release, free of estate and gift tax, of powers of appointment; with an amendment (Rept. No. 1907).

Mr. BLACKNEY: Committee on Armed Services. S. 657. An act to amend the Pay Readjustment Act of 1942, as amended, so as to authorize crediting of service as a cadet, midshipman, or aviation cadet for pay purposes, and for other purposes; without amendment (Rept. No. 1908). Referred to

the Committee of the Whole House on the State of the Union.

Mr. BLACKNEY: Committee on Armed Services. S. 1525. An act to provide for furnishing transportation for certain Government and other personnel, and for other purposes; with an amendment (Rept. No. 1909). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 5181. A bill to authorize the Secretary of the Army to exchange certain property with the city of Kearney, Nebr.; without amendment (Rept. No. 1910). Referred to the Committee of the Whole House on the State of the Union

Mr. GOODWIN: Committee on Ways and Means. H. R. 5608. A bill to amend paragraph 1007 of the Tariff Act of 1930; without amendment (Rept. No. 1911). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRANT of Indiana: Committee on Ways and Means. H. R. 5612. A bill to provide for the free importation of evergreen Christmas trees; with an amendment (Rept. No. 1912). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOODRUFF: Committee on Ways and Means. H. R. 5641. A bill to provide for the free importation of salt brine; without amendment (Rept. No. 1913). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 5642. A bill to authorize the Secretary of the Navy to grant to the East Bay Municipal Utility District, an agency of the State of California, an easement for the construction and operation of a water main in and under certain Government-owned lands comprising a part of the United States naval air station, Alameda, Calif.; without amendment (Rept. No. 1914). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLACKNEY: Committee on Armed Services. H. R. 5758. A bill to amend further the Armed Forces Leave Act of 1946, as amended, to permit certain payments to be made to surviving brothers and sisters, and nieces and nephews, of deceased members and former members of the armed forces; with an amendment (Rept. No. 1915). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRANT of Indiana. Committee on Ways and Means. H. R. 6242. A bill to continue until the close of June 30, 1949, the present suspension of import duties on scrap iron, scrap steel, and nonferrous metal scrap; without amendment (Rept. No. 1917). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 589. Resolution providing for consideration of H. R. 6419, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 1918). Referred to the House Calendar.

Mr. GRANT of Indiana: Committee on Ways and Means. H. R. 5965. A bill to amend paragraph 813 of the Tariff Act of 1930; with an amendment (Rept. No. 1919). Referred to the Committee of the Whole House on the State of the Union.

Mr. McDOWELL: Committee on Un-American Activities. Report on the Communist Party of the United States as an advocate of overthrow of government by force and violence; without amendment (Rept. No. 1920). Referred to the Committee of the Whole House on the State of the Union.

Mr. LOVE: Committee on Post Office and Civil Service. S. 1082. An act to credit certain service performed by employees of the postal service who are transferred from one position to another within the service for purposes of determining eligibility for promotion; with amendments (Rept. No. 1921). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. S. 1305. An act to amend section 24 of the Federal Power Act so as to provide that the States may apply for reservation of portions of power sites released for entry, location, or selection to the State for highway purposes; without amendment (Rept. No. 1922). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 2766. A bill to amend section 2 of an act entitled "An act to provide for the establishment of a probation system in the United States courts, except in the District of Columbia," approved March 4, 1925, as amended (18 U. S. C. 725); without amendment (Rept. No. 1923). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 3402. A bill to extend the authorized maturity date of certain bridge revenue bonds to be issued in connection with the refunding of the acquisition cost of the bridge across the Missouri River at Rulo, Nebr.; with amendments (Rept. No. 1924). Referred to the House Calendar.

Mr. ELSTON: Committee on Armed Services. H. R. 3883. A bill to authorize and direct the Secretary of War to transfer to the Territory of Alaska the title to the Army vessel *Hygiene;* with amendments (Rept. No. 1925). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 4032. A bill to amend certain provisions of law relating to the naval service so as to authorize the delegation to the Secretary of the Navy of certain discretionary powers vested in the President of the United States; with an amendment (Rept. No. 1926). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOLLIVER: Committee on Interstate and Foreign Commerce. H. R. 4114. A bill to amend the Public Health Service Act to permit certain expenditures, and for other purposes; with amendments (Rept. No. 1927). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 4190. A bill to amend the General Bridge Act of 1946; without amendment (Rept. No. 1928) Referred to the House Calendar.

Mr. LEONARD W. HALL: Committee on Interstate and Foreign Commerce. H. R. 4816. A bill to amend section 624 of the Public Health Service Act so as to provide a minimum allotment of $250,000 to each State for the construction of hospitals; without amendment (Rept. No. 1929). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 5283. A bill to provide for the disposal of surplus sand at Fort Story, Va.; without amendment (Rept. No. 1930). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 5509. A bill to authorize Defense Homes Corporation to convey to Howard University certain lands in the District of Columbia, and for other purposes; with amendments (Rept. No. 1931). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 5750. A bill to provide for the extension and improvement of post-office facilities at Los Angeles, Calif., and for other purposes; with amendments (Rept. No. 1932). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H R. 5842. A bill to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes; without amendment (Rept. No. 1933). Referred to the Committee of the Whole House on the State of the Union.

Mr. FELLOWS: Committee on the Judiciary. H. R. 5922. A bill relating to the issuance of reentry permits to certain aliens; with an amendment (Rept. No. 1934). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEONARD W. HALL: Committee on Interstate and Foreign Commerce. H. R. 5889. A bill to extend the provisions of title VI of the Public Health Service Act to the Virgin Islands; with an amendment (Rept. No. 1935). Referred to the Committee of the Whole House on the State of the Union.

Mr. TWYMAN: Committee on Post Office and Civil Service. H. R. 6208. A bill to provide for the collection and publication of statistical information by the Bureau of the Census; without amendment (Rept. No. 1936). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 6275. A bill to exempt from estate tax national service life insurance and United States Government life insurance in certain cases; without amendment (Rept. No. 1937). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNGBLOOD: Committee on Post Office and Civil Service. H. R. 6293. A bill to amend the act of June 19, 1934, providing for the establishment of the National Archives, so as to provide that certain fees collected by the Archivist shall be available for disbursement in the interest of the National Archives; without amendment (Rept. No. 1938). Referred to the Committee of the Whole House on the State of the Union.

Mr. HESELTON: Committee on Interstate and Foreign Commerce. H. R. 6339. A bill to amend the provisions of title VI of the Public Health Service Act relating to standards of maintenance and operation for hospitals receiving aid under that title; without amendment (Rept. No. 1939). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ELSTON: Committee on Armed Services. H. R. 5836. A bill to authorize the Secretary of the Army or his duly authorized representative to quitclaim a perpetual easement over certain lands adjacent to the Fort Myers Army Airfield, Fla.; without amendment (Rept. No. 1916). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of Indiana:

H. R. 6500. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. HINSHAW:

H. R. 6501. A bill to provide for the development of civil transport aircraft adaptable for auxiliary military service, and for other purposes; to the Committee on Armed Services.

By Mr. FERNÓS-ISERN:

H. R. 6502. A bill to amend the Organic Act of Puerto Rico; to the Committee on Public Lands.

By Mr. GRANT of Indiana:

H. R. 6503. A bill to repeal the war tax rate on the retail sale of jewelry, furs, and toilet preparations, and to reduce the war tax rate on the retail sale of luggage; to the Committee on Ways and Means.

By Mr. PACE:

H. R. 6504. A bill to authorize the sale to Muscogee County, State of Georgia, of topsoil at the Fort Benning installation; to the Committee on Armed Services.

By Mr. PETERSON (by request):

H. R. 6505. A bill to incorporate the Army and Navy Union; to the Committee on the Judiciary.

By Mr. BEALL:

H. R. 6506. A bill to authorize the granting of Federal aid with respect to the construction of certain toll bridges, highways, and tunnels; to the Committee on Public Works.

By Mr. HUBER:

H. R. 6507. A bill to amend subsection 602 (F) of the National Service Life Insurance Act of 1940, as amended, to authorize renewal of level-premium term insurance for a second 5-year period, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. NORBLAD:

H. R. 6508. A bill to amend section 1501 (b) (1) (E) of the Second War Powers Act, 1942, so as to authorize the exercise of certain powers conferred by such act with respect to nitrogenous compound necessary to the manufacture and delivery of nitrogenous fertilizer materials for export; to the Committee on Banking and Currency.

By Mr. PRICE of Illinois:

H. R. 6509. A bill to provide an appropriation for the reconstruction and repair of public facilities in the State of Illinois which were destroyed or damaged by a recent tornado; to the Committee on Appropriations.

By Mr. REEVES:

H. R. 6510. A bill to encourage the construction of rental housing accommodations by permitting certain deductions in computing net income for income-tax purposes; to the Committee on Ways and Means.

By Mr. RIZLEY:

H. R. 6511. A bill to amend section 2402 (a) of the Internal Revenue Code, as amended, and to repeal section 2402 (b) of the Internal Revenue Code, as amended; to the Committee on Ways and Means.

By Mr. KLEIN:

H. R. 6512. A bill to authorize the issuance of a silver certificate bearing the portrait of Franklin Delano Roosevelt; to the Committee on Banking and Currency.

By Mr. BOGGS of Louisiana:

H. R. 6513. A bill to exclude from gross income lump-sum payments for service as aviators in the armed forces of the United States; to the Committee on Ways and Means.

By Mr. HARRIS:

H. J. Res. 399. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GAMBLE:

H. Con. Res. 197. Concurrent resolution to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to take emphatic and positive action under the laws of our land to prevent and estop any person, group, or assembly from the continuance of teachings or actions which have as their basis the motives to destroy our America; to the Committee on Un-American Activities.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States with respect to the limitation of petroleum exports; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to enact such legislation that will definitely authorize veterans entitled to benefits under Public Law 346 to pursue a course of flight training in lieu of, or in association with, such other courses of instruction as they may elect to pursue; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 6514. A bill for the relief of Bradford N. Headley; to the Committee on the Judiciary.

By Mr. CAMP:

H. R. 6515. A bill for the relief of Theodore Robert Fears; to the Committee on the Judiciary.

By Mr. KELLEY:

H. R. 6516. A bill for the relief of Roza Grunfeld Moskovics; to the Committee on the Judiciary.

By Mr. MACKINNON:

H. R. 6517. A bill for the relief of Mrs. Skio Takayama Hull; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H. R. 6518. A bill for the relief of Epaminondas B. Karimpalis; to the Committee on the Judiciary.

By Mr. PRESTON:

H. R. 6519. A bill for the relief of Jack W. Darby; to the Committee on the Judiciary.

By Mr. REDDEN:

H. R. 6520. A bill for the relief of Wade H. Noland; to the Committee on the Judiciary.

By Mr. TEAGUE:

H. R. 6521. A bill for the relief of Dr. H. R. Allmon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1890. By Mr. LEONARD W. HALL: Petition of Norma Cummings, Great Neck, Long Island, for herself and on behalf of the Young Citizens of the World (signatures in excess of 500) urging the Congress of the United States to request our delegate to the United Nations to move for the immediate establishment of a police force representing all the nations of the world, to keep the peace and save all our lives; to the Committee on Foreign Affairs.

1891. By Mr. McGARVEY: Petition submitted by the Pinn Memorial Baptist Church, Philadelphia, Pa., in support of the program of action recommended by the President's Committee on Civil Rights and the legislation proposed for implementing the Committee's recommendation to insure equal justice under the laws of the land and equality of opportunity for all people regardless of race, color, creed, or national origin; to the Committee on the Judiciary.

1892. By Mr. REES: Petition of citizens of Harvey County, Kans., in opposition to universal military training and selective service draft; to the Committee on Armed Services.

1893. Also, petition of citizens of Sedgwick County, Kans., in opposition to universal military training and selective service draft; to the Committee on Armed Services.

1894. By Mrs. ROGERS of Massachusetts: Petition of the town of Groton, Mass., asking that such steps be taken as may be necessary to have our delegates to the United Nations present or support amendment of the Charter for the purpose of making the United Nations into a limited world government capable of enacting, interpreting, and enforcing world law to prevent war; to the Committee on Foreign Affairs.

1895. Also, petition of the town of Lincoln, Mass., asking that such steps be taken as may be necessary to have our delegates to the United Nations present or support amendments of the Charter for the purpose of making the United Nations into a limited world government capable of enacting, interpreting, and enforcing world law to prevent war; to the Committee on Foreign Affairs.

1896. Also, petition of the town of Littleton, Mass., asking support for all measures to strengthen the United Nations and for such changes in the United Nations Charter as shall make it a limited world federal government with full power over all matters vital to the preservation of peace; to the Committee on Foreign Affairs.

1897. Also, petition of the town of Concord, Mass., to take all possible steps to promote the strengthening of the United Nations into a government for world affairs, including support of the resolutions for initiating Charter amendments to enable the United Nations to enact and enforce world law to prevent war; to the Committee on Foreign Affairs.

1898. By the SPEAKER: Petition of the national president, Dames of Loyal Legion of the United States of America, petitioning consideration of their resolution with reference to efforts to restore complete independence of foreign influences and foreign ideologies and strict observance of all rights, privileges, and immunities guaranteed to the separate States and to the people by the Constitution of the United States; to the Committee on the Judiciary.